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# COUNTY OF NEVADA, CALIFORNIA



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2008

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**COUNTY OF NEVADA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2008**

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# INTRODUCTORY SECTION

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Government Finance Officer's  
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# State of California COUNTY OF NEVADA

MARCIA L. SALTER – Auditor-Controller

Auditor-Controller  
950 Maidu Avenue  
Nevada City CA 95959

(530) 265-1244  
Fax: (530) 265-9843  
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December 31, 2008

To the Honorable Board of Supervisors and the Citizens of the County of Nevada:

The Comprehensive Annual Financial Report (CAFR) of the County of Nevada for the fiscal year ended June 30, 2008 is hereby submitted in compliance with Sections 25250 & 25253 of the Government Code of the State of California. These statutes require all general-purpose local governments to issue an annual report on the financial position and activities of that government. The report must be presented in conformance with generally accepted accounting principles (GAAP) and must be audited by an independent firm of certified public accountants in conformance with generally accepted auditing standards (GAAS). The financial statements contained in this CAFR meet these requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements contained in this CAFR have been audited by Smith & Newell, a Professional Corporation of Certified Public Accountants. Their audit was performed in accordance with GAAS. The auditors have concluded, based on their audit, that the financial statements combined with the accompanying footnotes present fairly, in all material respects, the financial condition of Nevada County as of June 30, 2008. A copy of their report is located at the front of the financial section of this CAFR. In planning and performing the audit of the financial statements, Smith & Newell considered the internal control structure of the County in order to determine appropriate audit procedures. During this review, no required reportable conditions were noted; however, several opportunities to strengthen internal control and operating efficiency were recommended. This information was presented in a letter to the Board of Supervisors and management.

Management is required by GAAP (GASB 34) to provide a management discussion and analysis (MD&A) in conjunction with financial statement reporting. The purpose of the MD&A is to introduce the basic financial statements and to provide an analytical overview of the financial activities of the County. The MD&A can be found immediately following the report of the independent auditors.

In addition to the annual audit of this CAFR, the County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the 1996 amendments to that act, and the US Office of Management and Budget Circular A-133, *"Audits of States, Local Governments and Non-Profit Organizations."* Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the auditors' report on the internal control and compliance with applicable laws and regulations are presented in a separate publication.

## **PROFILE OF THE COUNTY OF NEVADA**

### **General Information**

With an area of about 978 square miles, the County of Nevada is situated in the gold country of northern California. The County is located about 45 miles northeast of Sacramento, 130 miles northeast of San Francisco, and 12 miles southwest of Reno, Nevada. It is bordered by Sierra County to the north, Yuba County to the west, Placer County to the south, and the State of Nevada to the east.

### **County Government**

Nevada County was organized by an act of the legislature, approved May 18, 1851. Before that time it had been a part of Yuba County, but the growth of population and business following the gold rush of 1849-50 plus the distance of the courts for trial of important criminal and civil business, resulted in the move for a separate county organization.

The County is a general law county and is governed by a five-member Board of Supervisors, elected to serve four-year terms. Each is elected from one of the five supervisorial districts of the County. Supervisors from District 3 and 4 are elected in gubernatorial election years (2002, 2006 etc) while supervisors from Districts 1, 2 and 5 are elected in presidential years (2004, 2008 etc.). District boundaries are adjusted after every federal census to equalize district population as closely as possible.

The Board of Supervisors is the legislative and executive body of County government and also serves as the governing body of the Nevada County Sanitation District No.1 and the Nevada County Housing Authority. In addition, members of the Board represent the County on numerous intergovernmental bodies. In its legislative duties the Board adopts ordinances, resolutions and rules within the limits prescribed by State law and is responsible for seeing that all Federal and State mandated functions are properly discharged.

As an executive body, the Board determines annual budget allocation; approves contracts for public improvement projects and other specialized services; conducts public hearings on matters such as zoning appeals and planning issues; provides for the compensation of all County officials and employees; creates offices, boards and commissions as needed, appointing members and fixing the terms of office; directs an annual audit of all County accounts, books, and records; provides policy direction to the County Executive Officer for the operation and administration of County departments; and exercises executive authority for the provision of local government services to County residents.

The remaining elected officials are the Assessor, the Auditor-Controller, the Clerk-Recorder, the District Attorney, the Sheriff and the Treasurer-Tax Collector. The County Executive Officer (CEO) is appointed by the Board to run the day-to-day operations of the County.

### **County Services**

The County, with an average 975.9 full-time equivalent employees, provides a full range of services to its residents, including public safety protection; corrections and probation; construction and maintenance of roads, bridges and other infrastructure; health services, public assistance programs, sanitation services, environmental services, libraries, and a variety of other general governmental services. Every resident of the County, directly or indirectly, benefits from these services. Most services performed by the County are provided for all residents, regardless of whether those residents live in cities or unincorporated areas. The County prides itself on being innovative in the delivery of services to its citizens. The following is a sampling of recently deployed service enhancements:

- Social Services implemented the Video Eligibility Project, which allows Eligibility Workers to conduct interactive interviews to determine client eligibility without the need for client and/or staff travel.
- The Nevada County Office of Emergency services implemented an emergency alert notification system that enables pre-recorded emergency information message to be sent by phone, fax, and email at the rate of 400 calls per minute.
- The Sheriff's Department upgraded and installed Zetron 911 phones to the two County dispatch centers which enhances the tracking of cell phone calls for quick response.

### **Accounting Information**

The accounts of the County are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled.

The governmental reporting entity consists of the County and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations for which the nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The following blended component units are considered to be part of the primary government for reporting purposes: Nevada County Sanitation District, the Nevada County Housing Authority, the Nevada County Finance Authority and Special Districts governed by the Board. Note 1 of the Notes to the Financial Statements contains additional information on these entities.

### **Budgetary Process**

The County is required by State law to adopt a balanced budget by July 1 of each fiscal year. The process begins in February with budget instructions issued to departments by the County Executive Officer (CEO). Department heads are responsible for preparing and managing their budgets. The County Executive Office reviews departmental projections for expense and income accuracy, consistency with budget policies, and planned attainment of the County's goals and objectives. As a recommending body to the CEO, a Budget Subcommittee is appointed, whose members provide a comprehensive review of department requests for service levels, funding, and staffing. The subcommittee consists of two members of the Board of Supervisors. Also serving as advisors are the elected Auditor-Controller, the County Executive Officer and the Deputy County Executive Officer. The Board of Supervisors is responsible for adopting the budget, after considering it as a whole, and gauging its success in reflecting County goals and priorities for the community. After adoption of the budget, the County Executive Office staff reviews and monitors revenues and expenses quarterly and assists departments in fiscal management as necessary.

The County Auditor-Controller is responsible for monitoring and reporting expenditures within budgeted appropriations. Budget information is presented for the general and special revenue funds. This budget data is prepared on the modified accrual basis consistent with comparable actual amounts. Budgets are also adopted for the enterprise and internal service funds. Budget appropriations represent original amounts adjusted by budget transfers and appropriation amendments. Encumbrance accounting is utilized during the year for budget control purposes. However, encumbrances outstanding at year-end do not constitute expenditures or liabilities, but rather reserves of fund balances. Unencumbered budget appropriations lapse at the end of the fiscal year.

The CEO may approve transfers of appropriations between major objects of expenditure within the same service budget unit (SBU) and fund. The Board must approve amendments or transfers of appropriations between SBUs within any fund and supplemental appropriations necessary and normally financed by unanticipated revenues during the year. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances.

## **LOCAL ECONOMY**

### **Population**

The 2008 estimated population figures, as provided by the California Employment Development Department for the County, are 99,186. This is down a slight .59% from 2007, with about 69% of the residents living in the unincorporated areas. The Town of Truckee is the largest of the three cities within the County, with approximately 15,915 residents in 2008. The City of Grass Valley is the second largest city within the boundaries of the County with a population of 13,031. Nevada City serves as the County seat with a population in 2008 of 3,088.

### **Labor Force**

The County's 2008 labor force totaled 51,570, an increase of 11.9 percent from 2000 figures. Nevada County's unemployment rate in June 2008 was 6.7 percent, which is noticeably below California's rate of 8.2 percent for the same year.

### **Industry Employment**

Nevada County's industry employment increased by 6 percent (3140 jobs), during the 2003-2007 profiled period. Three industries led job growth over these years: natural resources, mining and construction; leisure and hospitality; and manufacturing. Leisure and hospitality increased by 6 percent (240 jobs), natural resources, mining and construction gained 13.1 percent (460 jobs), and manufacturing expanded by 12.5 percent (260 jobs). Offsetting these gains, several industries posted losses over the profiled period: educational and health services dropped by 160 jobs, and financial activities declined by 40 jobs.

### **Housing**

According to the California Association of Realtors, approximately 1,334 homes in Nevada County were sold in the calendar year 2007. However, prices were impacted by the general housing market trends, and prices of local homes sold declined by 18.5%, to a median price of \$365,000 as of October 2008. The Grass Valley area has shown the largest one year decrease of 18.1% with the median home price dropping from \$354,000 to \$290,000.

### **Property Tax Collection and Apportionment**

Property taxes levied countywide (secured, unsecured and unitary) rose in fiscal year 2007-08 to \$159,571,633, an increase of 12.6% over the previous fiscal year total of \$150,668,525. The Auditor-Controller calculates the local property tax bills based on assessed values as provided by the Assessor. The Treasurer-Tax Collector then distributes the tax bills and is charged with collection. In fiscal year 2007-08 the Auditor-Controller apportioned the revenue as follows:

- ☐ Nevada County General Fund: 14.3%
- ☐ Schools: 56.7%
- ☐ Special Districts: 19.4%
- ☐ Cities: 7.5%
- ☐ Redevelopment Agencies: 2.1%

### **Transient Occupancy Tax (TOT)**

As of January 1, 2005, the administration of the Transient Occupancy Tax was delegated to the Treasurer and Tax Collector. The County's 10% tax is levied in the unincorporated area of Nevada County on lodging fees where the lodger stays for 30-days or less. Transient Occupancy Tax (TOT) revenues increased 3.6% to \$303,124 in fiscal year 2007-08 over the prior fiscal year. The growth rate of increase for this period was significantly less than prior years. In the past several years, an enhanced collection effort had been engaged which realized an increase of delinquent amounts collected.

### **Debt Administration**

Contained within the County's tax code area are numerous municipalities, school districts and special-purpose districts providing public services. These entities have outstanding bonds issued in the form of general obligation bonds.

Direct debt constitutes debt directly issued by the County while overlapping debt constitutes that portion of the debt issued by different public entities within the same tax code area as the County's. The County is not responsible for overlapping debt of the other local agencies.

The County has \$79,043,594 in direct debt outstanding as of June 30, 2008. This includes the 2002 Certificates of Participation, capital leases, special assessment debt, loans payable, compensated absences, accrued claims payable and landfill post closure. This amount also includes the Sanitation Districts – State Revolving Fund loans for three major plant upgrades.

## **RELEVANT FINANCIAL POLICIES**

### **Budget Policies**

The Board of Supervisors adopted several policies to guide the preparation of the budget. The following are several key items:

- Every effort will be made to provide same level service as the prior year. This may require the reorganization or streamlining of current resources.
- The budget will only use reserve funds for emergency and one-time expenditures or for purposes designated to fund. Every effort will be used to preserve reserve funds.
- There will be a high level of fiscal discipline by the Department Heads, Budget Subcommittee, County Executive Office and Board of Supervisors. Every effort will be made to maximize County assets, achieve a high level of funding for employee retirement promises, evaluate cost per service item and develop and maintain contracts with vendors within Nevada County.

### **Cash Management**

The County sponsors an investment pool that is managed by the County Treasurer-Tax Collector for the purpose of earning interest through investments. The State of California statutes require certain government entities and special districts to maintain their surplus cash with the County Treasurer-Tax Collector. Cash and investments for most County activities are included in the investment pool.

The California Government Code statutes and the County's investment policy govern the County's investment pool activity. The County's investment policy has the following objectives: safety, liquidity, and yield. Those statutes and policy authorize the County Treasurer-Tax Collector to invest in securities issued by the U.S. Government Treasury and its Agencies, certain corporate bonds and notes, bankers' acceptances, certificates of deposit, commercial paper, and repurchase agreements. The investment pool's maximum maturity limitation is 5 years. The Auditor-Controller monitors and reviews the management of the County's investment pool on an on-going basis. An annual compliance audit is performed by an external independent CPA firm. The County pool of investments earned an average rate of return for the fiscal year ending June 30, 2008 of 4.24%.

### **Risk Management**

The County is a member of the CSAC Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for Counties. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$100,000 for each general liability claim. In fiscal year 2007-08, the County maintained two layers of excess coverage for a total of \$15.0 million in general liability coverage.

The claims liability for General Liability and Unemployment self-insurance was approximately \$841,191 at the end of fiscal 2008 and was funded at \$1,415,033. Details on the Risk Management program are contained in the footnotes to the financial statements.

## **Other Factors Affecting Financial Condition**

The economy has entered into a significant downturn stemming from the housing sector crisis and has been filtering throughout the U.S., and even across the globe. Projections foresee an economic decline through fiscal year 2009-10. Many factors will play into the speed of the recovery. California local governments are particularly vulnerable to State and Federal budgetary difficulties. The State of California acts as a pass-through entity for much of the County revenue. The State's struggling economy has severely reduced its expected revenues and has recently estimated a \$41 billion short-fall for its budget over the next two years. Reduction of program revenues and delays in payment to the County will negatively affect the County budget and therefore decrease the ability to provide numerous services. Reductions in the growth rate for local property tax, reduce the County's discretionary revenues available to fund its services and programs. However, the County remains fiscally solvent and is a testament to the conservative policies of the Board of Supervisors. The General Fund reserves, purposely set aside during the past years when double digit growth was realized, will provide somewhat of a cushion while waiting out the economic recovery.

## **Awards**

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of Nevada for its CAFR covering the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This is the first year we have received this esteemed award. We believe our current CAFR continues to meet the Certificate of Achievement program requirements, and we are submitting our application for the Certificate for this year.

## **Acknowledgments**

The preparation of this Comprehensive Annual Financial Report was possible with the combined efforts of numerous individuals. I wish to express my sincere appreciation to my staff in the Auditor-Controller's Office for their tremendous effort and dedication to the preparation and review of this report. I would like to thank all the departments and agencies who contributed financial information to this report along with our independent auditors, Smith & Newell and staff, for their assistance and guidance in producing this CAFR. In addition, I would like to thank the Board of Supervisors and the County Executive Office for their continued efforts in planning and overseeing the financial operations of the County in a responsible and progressive manner.

Respectfully Submitted,

*Marcia L. Salter*

Marcia L. Salter  
Auditor-Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Nevada  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



President

Executive Director



**COUNTY OF NEVADA, CALIFORNIA  
COUNTY OFFICIALS  
FOR THE YEAR ENDED JUNE 30, 2008**

**ELECTED OFFICIALS**

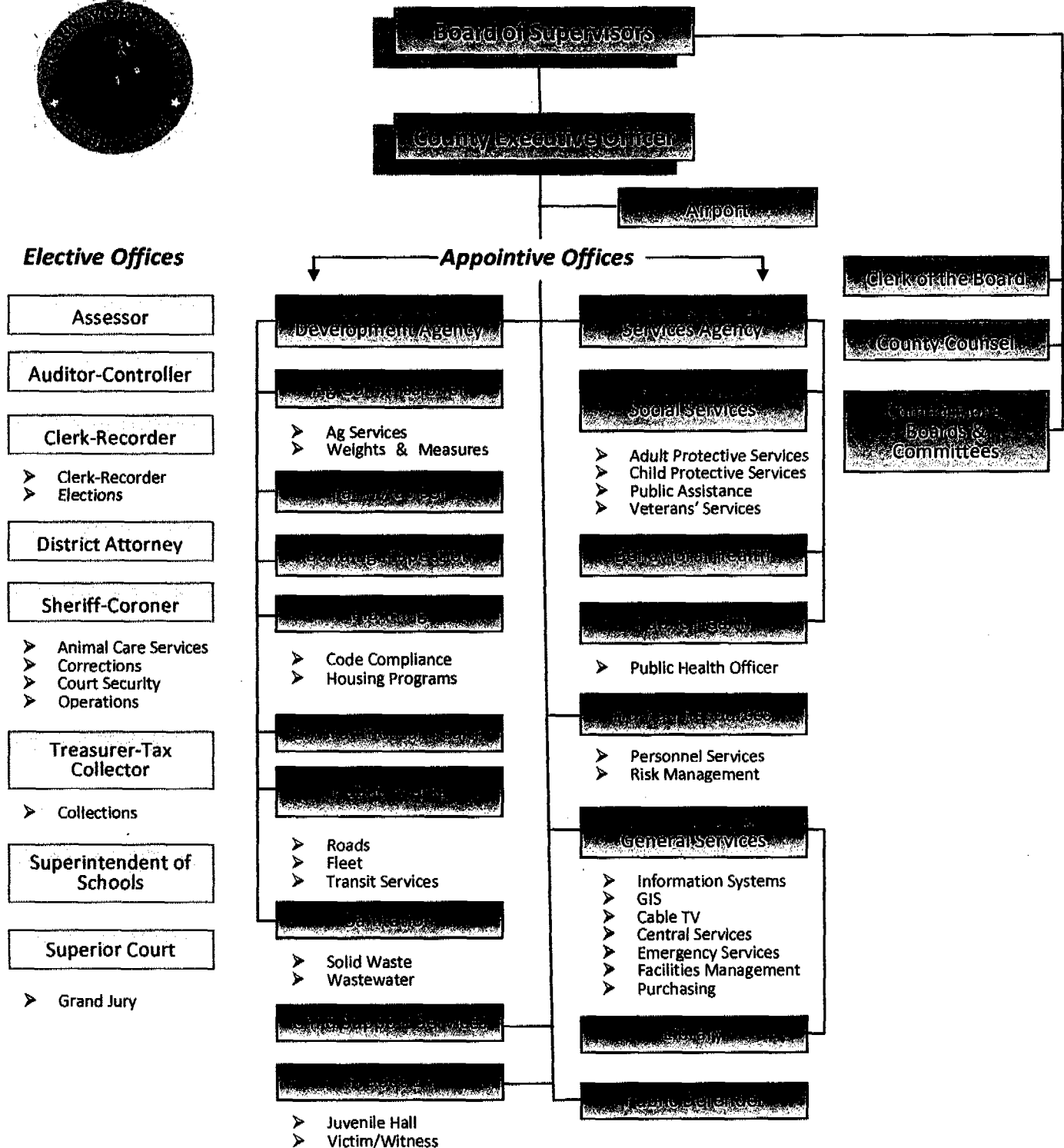
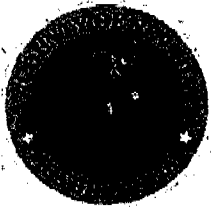
Supervisor, District 1 .....	Nate Beason
Supervisor, District 2 .....	Sue Horne
Supervisor, District 3 .....	John Spencer
Supervisor, District 4 .....	Wm. Hank Weston
Supervisor, District 5 .....	Ted Owens

Assessor .....	Dale Flippin
Auditor-Controller .....	Marcia Salter
Clerk-Recorder .....	Gregory Diaz
District Attorney .....	Clifford Newell
Sheriff-Coroner/Public Administrator .....	Keith Royal
Treasurer-Tax Collector .....	Chris Dabis

**DEPARTMENT DIRECTORS/ADMINISTRATORS**

Agricultural Commissioner .....	Jeff Pylman
Behavioral Health Director .....	Michael Heggarty
Building Director .....	Brian Washko
Chief Information Officer .....	Steve Monaghan
Chief Probation Officer .....	Doug Carver
Child Support Director .....	Kathy Hrepich
Clerk of the Board .....	Cathy Thompson
Community Development Agency Director .....	Steve DeCamp
County Counsel .....	Robert Shulman
County Executive Officer .....	Rick Haffey
Environmental Health Director .....	Wesley Nicks
Health & Human Services Director .....	Jeff Brown
Human Resources Director .....	Gayle Satchwell
Librarian .....	Mary Ann Trygg
Planning Director .....	Jory Stewart
Public Defender .....	Donald Lown Jr.
Public Health Officer .....	Joseph Iser, M.D.
Public Works Director .....	Douglas Farrell
Sanitation Director .....	Mark Miller
Social Services Director .....	Allison Lehman

# Nevada County Government Organization



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## **FINANCIAL SECTION**

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- **Independent Auditor's Report**
  - **Management's Discussion  
and Analysis**
  - **Basic Financial Statements**
  - **Required Supplementary  
Information**
  - **Combining and Individual Fund  
Statements and Schedules**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors and Grand Jury  
County of Nevada  
Nevada City, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Nevada, California (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

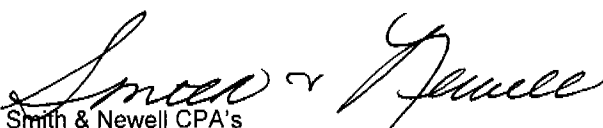
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, the Schedule of Funding Progress, and the Budgetary Comparison Schedules as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual nonmajor fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

  
Smith & Newell CPA's  
Yuba City, California  
January 16, 2009

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

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**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

This section of the County of Nevada's (County's) comprehensive annual financial report provides an overview and analysis of the County's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the 2007-2008 fiscal year by \$319,004,562 (net assets). Of this amount, \$14,741,485 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors, \$38,274,175 is restricted for specific purposes (restricted net assets), and \$265,988,902 is invested in capital assets, net of related debt.
- The County's total net assets increased by \$6,685,593. The governmental activities net assets at the close of the 2007-2008 fiscal were \$294,047,189 and the business-type activities net assets were \$24,957,373.
- As of June 30, 2008, the County's governmental funds reported combined ending fund balances of \$57,005,322 an increase of \$405,183 or .72% in comparison with the prior year's ending fund balance. Approximately 58.3% of this total amount, \$33,245,765 is *available* to meet the County's current and future needs (*unreserved / undesignated fund balance*).
- At the end of the fiscal year, the unreserved fund balance for the General Fund was \$18,363,975, or 34.3% of the total General Fund expenditures for the year.
- The County's total long-term debt increased from \$ \$69,727,218 to \$79,043,955. This \$9,316,737 or 13.4 % increase was related to loans used to fund two major capital projects in the Sanitation District.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements, and 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activities of the County include the Western Nevada County Solid Waste, Eastern Nevada County Solid Waste, Transit Services, and the Airport.

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
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Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The County's component units are: Nevada County Sanitation District, Nevada County Housing Authority, and Nevada County Finance Authority.

*The government-wide financial statements can be found on pages 18-19 of this report.*

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains one hundred eighty-five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and other major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual and grouped fund data for the non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

*The governmental fund financial statements can be found on pages 20-23 of this report.*

**Proprietary funds** are maintained in two ways. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The County maintains thirty-seven individual proprietary funds. The Western Nevada County Solid Waste, Eastern Nevada County Solid Waste, the Airport, Transit Services and Sanitation District are used for business-type activity. The County uses internal service funds to account for its Fleet Management, Vision Insurance, Unemployment Insurance, Liability Insurance, Dental Insurance and Central Services. As these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Western Nevada County Solid Waste, the Airport and the Sanitation District are considered to be major funds of the County and are presented individually. The County's non-major enterprise funds and the six internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these nonmajor enterprise and internal service funds are provided in the form of *combining statements* elsewhere in this report.

*The proprietary fund financial statements can be found on pages 24-28 of this report.*

**COUNTY OF NEVADA**  
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**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains three hundred ten fiduciary funds.

*The fiduciary fund financial statements can be found on pages 29- 30 of this report.*

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*The notes can be found on pages 31-58 of this report.*

**Required Supplementary Information** consists of funding progress schedules for the County Defined Benefit Pension Plan and Other Post Employment Benefit Plan; the County's General Fund budgetary schedule to demonstrate compliance with the County's adopted budget; the budgetary comparison schedules for all Major Funds, and infrastructure assets reported using the modified approach to account for the County's road subsystem.

*Required supplementary information can be found on pages 59-68 of this report.*

**Combining and individual fund statements and schedules** referred to earlier provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information.

*Combining and individual fund statements and schedules can be found on pages 69-111 of this report.*

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may over time serve as a useful indicator of the County's financial position. On June 30, 2008, the County's assets exceeded its liabilities by \$319,004,562.

**County's Net Assets**  
**June 30, 2008 and 2007**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Variance</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	
Current and other assets	69,487,274	67,896,533	24,338,926	27,208,640	93,826,200	95,105,173	-1.34%
Capital Assets	258,347,801	257,942,703	57,407,075	39,981,773	315,754,876	297,924,476	5.98%
<b>Total Assets</b>	<b>327,835,075</b>	<b>325,839,236</b>	<b>81,746,001</b>	<b>67,190,413</b>	<b>409,581,076</b>	<b>393,029,649</b>	<b>4.21%</b>
Long-term liabilities	25,888,118	24,136,470	53,155,837	45,590,748	79,043,955	69,727,218	13.36%
Other liabilities	7,899,768	7,807,152	3,632,791	3,176,309	11,532,559	10,983,461	5.00%
<b>Total Liabilities</b>	<b>33,787,886</b>	<b>31,943,622</b>	<b>56,788,628</b>	<b>48,767,057</b>	<b>90,576,514</b>	<b>80,710,679</b>	<b>12.22%</b>
<b>Net Assets:</b>							
Invested in capital assets, net of related debt	240,377,169	238,955,459	25,611,733	17,773,325	265,988,902	256,728,784	3.61%
Restricted	38,274,175	40,643,025	0	0	38,274,175	40,643,025	-5.83%
Unrestricted	15,395,845	14,297,129	-654,360	650,031	14,741,485	14,947,160	-1.38%
<b>Total Net Assets</b>	<b>294,047,189</b>	<b>293,895,613</b>	<b>24,957,373</b>	<b>18,423,356</b>	<b>319,004,562</b>	<b>312,318,969</b>	<b>2.14%</b>

Of the County's total net assets, approximately 4.6% are unrestricted net assets that may be used to meet the County's ongoing obligations to citizens and creditors. 83.3% of the County's net assets reflect its investment in capital assets (e.g., land, buildings, equipment and other infrastructure), less any related debt used to acquire those assets that is still outstanding. The remaining portion of the County's net assets, 12.1% represents resources that are externally restricted in purpose.

The Business-Type Activities Unrestricted balance reflects a negative amount. The source of this amount is in the Solid Waste operation and is contributed to the post-closure cost liability of the closed landfill. Additional information regarding this liability can be found in Note 3 (g).

As mentioned earlier, there was an overall increase of \$6,685,593 (or 2.14%) over the prior year's net assets. The majority of the noted amount is attributable to the increase in the County's business-type activities category of Invested in Capital Assets and is due to major capital improvement projects within the Sanitation District. Additional detail on the capital assets can be found in Note 3 (c).

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
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**County's Change in Net Assets**  
**June 30, 2008 and 2007**

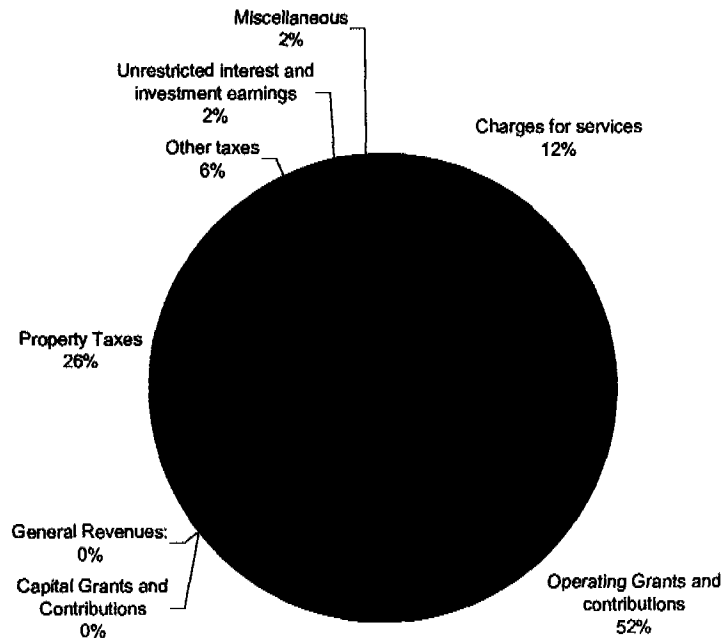
	Governmental Activities		Business-Type Activities		TOTAL		Variance
	2008	2007	2008	2007	2008	2007	
Revenues							
Program revenues:							
Charges for services	15,891,037	15,375,856	15,086,805	15,922,138	30,977,842	31,297,994	-1.02%
Operating Grants and contributions	68,069,772	60,489,775	1,039,974	475,587	69,109,746	60,965,362	13.36%
Capital Grants and Contributions	0	54,876	75,636	1,380,188	75,636	1,435,064	-94.73%
General Revenues:							
Property Taxes	33,565,001	31,516,285	6723	7009	33,571,724	31,523,294	6.50%
Other taxes	7,275,899	7,963,171	2,698,395	2,499,667	9,974,294	10,462,838	-4.67%
Unrestricted interest and investment earnings	2,441,133	2,412,223	1,251,801	1,167,496	3,692,934	3,579,719	3.16%
Miscellaneous	2,851,196	3,679,684	1,712,677	1,172,322	4,563,873	4,852,006	-5.94%
<b>Total Revenues</b>	<b>130,094,038</b>	<b>121,491,870</b>	<b>21,872,011</b>	<b>22,624,407</b>	<b>151,966,049</b>	<b>144,116,277</b>	<b>5.45%</b>
Expenses:							
General Government	13,734,811	12,221,901			13,734,811	12,221,901	12.38%
Public Ways and Facilities	10,455,997	10,077,775			10,455,997	10,077,775	3.75%
Public Protection	52,982,684	46,998,768			52,982,684	46,998,768	12.73%
Health and sanitation	21,056,211	17,680,812			21,056,211	17,680,812	19.09%
Public Assistance	25,413,676	23,173,587			25,413,676	23,173,587	9.67%
Education	3,015,545	2,541,343			3,015,545	2,541,343	18.66%
Recreation	245,653	237,357			245,653	237,357	3.50%
Interest on long-term debt	917,161	832,300			917,161	832,300	10.20%
Eastern Nevada County Solid Waste			127,515	135,640	127,515	135,640	-5.99%
Western Nevada County Solid Waste			7,369,951	6,935,822	7,369,951	6,935,822	6.26%
Transit Services			3,858,023	3,253,773	3,858,023	3,253,773	18.57%
Airport			1,441,091	1,282,831	1,441,091	1,282,831	12.34%
Sanitation District			5,191,420	4,502,075	5,191,420	4,502,075	15.31%
<b>Total Expenses</b>	<b>127,821,738</b>	<b>113,763,843</b>	<b>17,988,000</b>	<b>16,110,141</b>	<b>145,809,738</b>	<b>129,873,984</b>	<b>12.27%</b>
Change in net assets before transfers	2,272,300	7,728,027	3,884,011	6,514,266	6,156,311	14,242,293	-56.77%
Transfers	(660,365)	(381,600)	660,365	381,600		0	
Change in net assets	1,611,935	7,346,427	4,544,376	6,895,866	6,156,311	14,242,293	-56.77%
Prior Period adjustments	-1,460,359	-256,942	1,989,641	434,933	529,282	177,991	197.36%
Net Assets 7/1	293,895,613	286,806,128	18,423,356	11,092,557	312,318,969	297,898,685	4.84%
Net Assets 06/30	294,047,189	293,895,613	24,957,373	18,423,356	319,004,562	312,318,969	2.14%

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

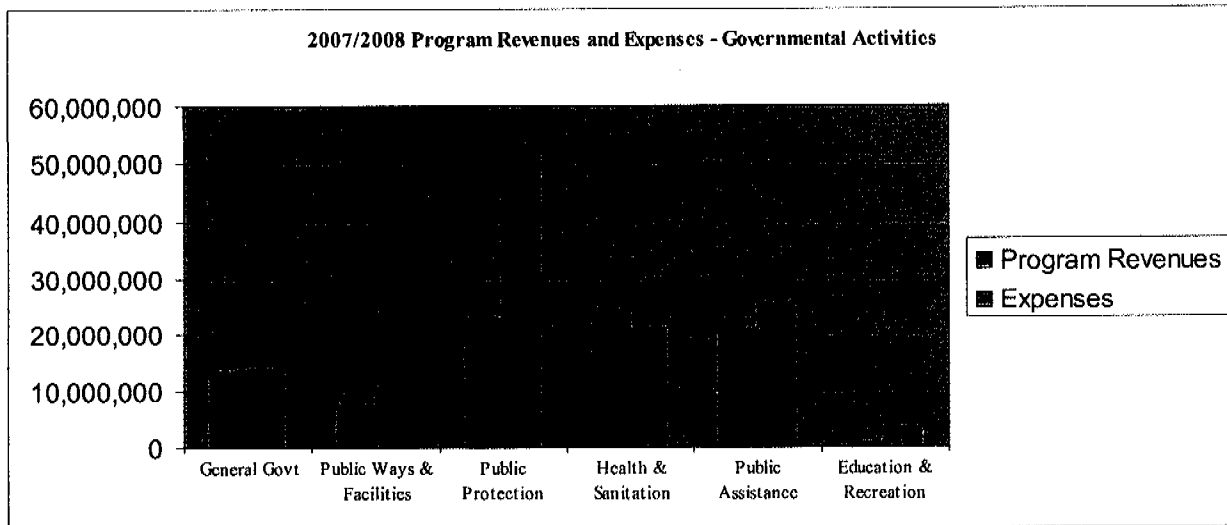
Key elements of the increase/decrease in *revenues* in the governmental activities:

- Property tax revenues increased \$2,048,716 or 6.5%. Of this amount, approximately \$ 1,764,396 was due to the overall growth in property tax from the past year. Supplemental property taxes declined 35.3% or \$566,358 to \$1,035,651. The remaining portion of approximately \$826,348 was due to an increase of the in-lieu of vehicle license fees (VLF) that are now reported as property tax due to the fact that the revenue source is based upon assessed valuation.
- Other tax revenue category decreased (8.6%) or \$687,272 from the prior year. There was a decrease of 30.8% or \$300,820 from the prior year in Transfer Taxes to \$673,351 due to the decrease in the number of real estate sales and the amount of the transactions. The Sales and Use tax category decreased \$358,636.
- Operating Grants and Contributions increased 12.53% or \$7,579,997 over the prior year. A portion of the increase is attributable to the receipt of California Proposition 1B funding for transportation programs specifically with Roads in the amount of \$2,109,272. The Health and Human Services programs received an increase of approximately \$4,178,054 in funding. The primary program areas were in the Behavioral Health and Social Services programs. The Homebuyer Assistance program received an additional \$612,482 in revenues.

**Revenues by Source - Governmental Activities**



**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
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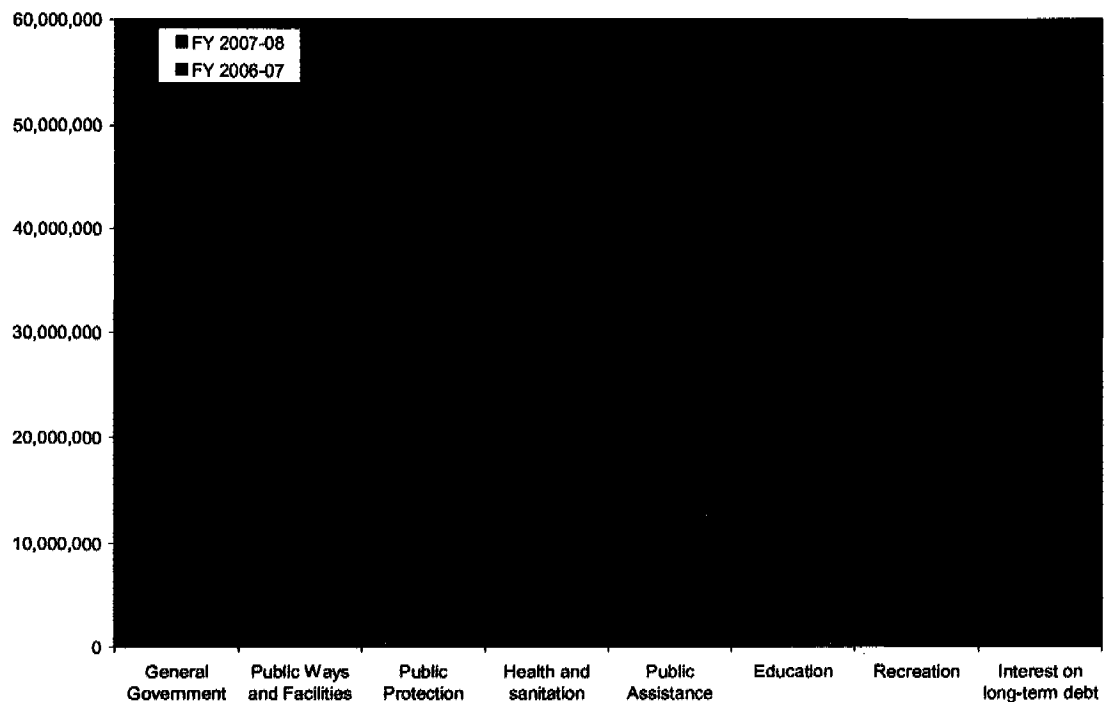


**Key elements of the increase/decrease in *expenses* in the governmental activities:**

- The General Government category increased by 12.4% or \$1,512,910. The primary increase was due to computers and equipment associated with the purchase of the electronic voting system in the amount of \$1,379,354. The balance of the increase was due to the negotiated adjustments in salary and benefit costs. The fiscal year 2007-08 was the first year the County implemented its funding plan for its Other Post Employment Benefits (OPEB) obligations. For additional information on the OPEB, see Note 5 within this statement.
- The Public Protection category experienced an increase of 12.7% from the prior fiscal year which equated to a \$5,983,916 increase in expenditures. The increase is primarily due to the negotiated adjustment in salary and benefits as well as the addition of several positions.
- The Health and Sanitation program area increased expenditures by \$3,375,399 or 19%. The majority of that increase was related to the full implementation of the Mental Health Services Act (MHSA) and Mentally Ill Offender Crime Reduction (MICOR) programs within the Behavioral Health area. The largest of the program expenditures, approximately \$2,460,131, were in the form of contracted professional services. Of the remainder of the increase in the category, approximately \$756,218 was due to the increase in the negotiated personnel salary and benefits.
- The Education category increased its expenditures by 18.7% or \$474,202. There was an approximate \$96,628 increase in contracted services from the Forest Reserve funds. The remainder of the increase being within the Public Library Fund due to the negotiated adjustment in salary and benefits in the amount of \$181,598 along with increase in utility costs and distributed administrative overhead totaling \$145,221.
- The Public Assistance category experienced an increase of 9.7% or \$2,240,089. The In-Home Supportive Services (IHSS) program costs increased \$635,851. The CalWorks program expenditures increased \$514,715 while the Foster Care program expenditures decreased \$544,177. Additionally, the salary and benefit costs increased for personnel totaling \$968,340.

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
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**Expenses - Governmental Activities**

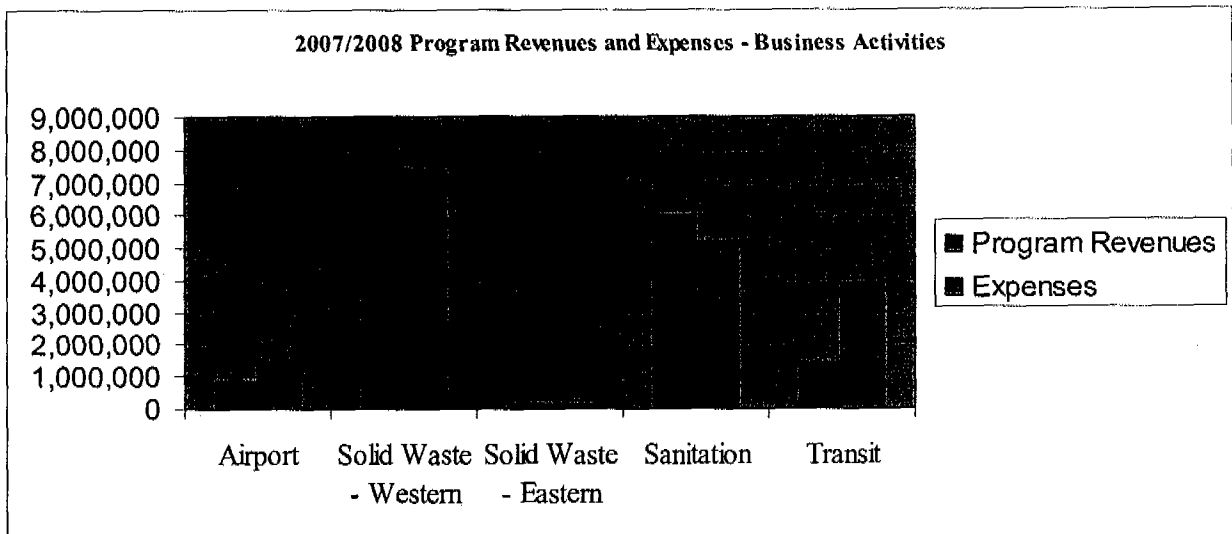
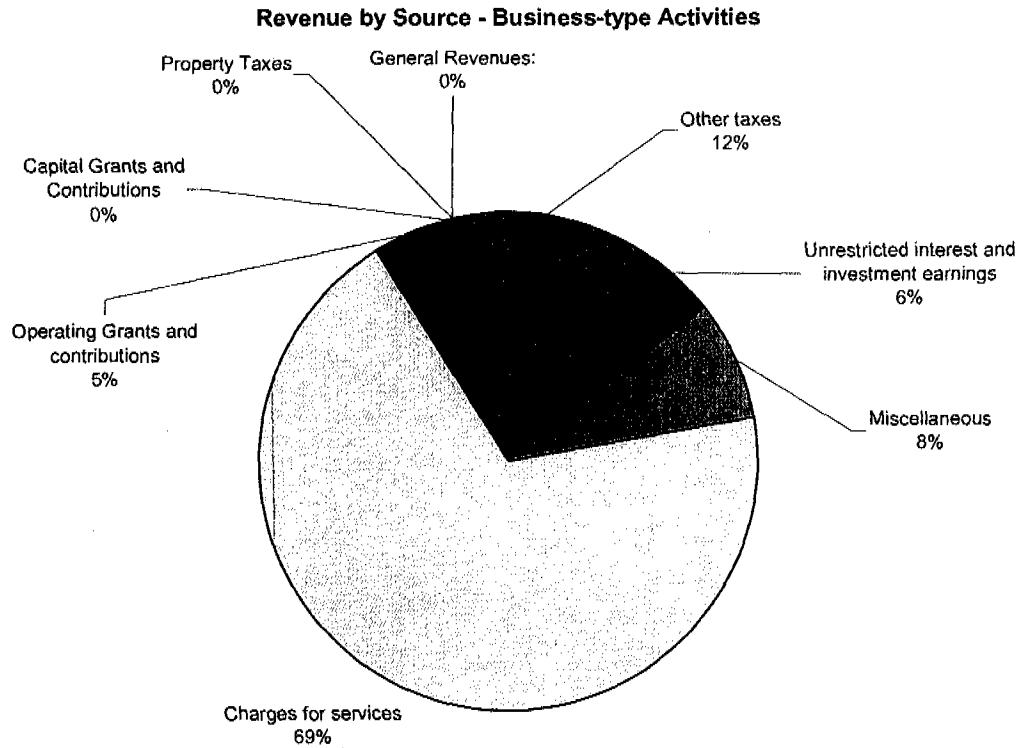


**Key elements of the increase/decrease in revenues in the business-type activities:**

- Operating Grants and contributions increased \$564,387 over the prior year which was primarily due to grants received by Solid Waste and the Transit operations.
- Capital Grants and Contributions category decreased by \$1,304,552 or (94.5) %. The decrease was due to the completion in the 2006-07 fiscal year of the capital project within the Airport, the grant funded equipment purchase for Transit and the transfer of plant assets to the Sanitation District.
- Charges for services decreased 5.25% or 835,333 which was partially due to a decrease in users of the Transfer Station services which equated to a 3% decrease or \$267,147. Additionally, Sanitation Services service revenues decreased 6% or \$273,700.
- Other taxes increased \$198,728 or 7.95% of which Transportation taxes and Aircraft tax collections increased in the amounts of \$189,865 and \$7,740 respectively.



**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
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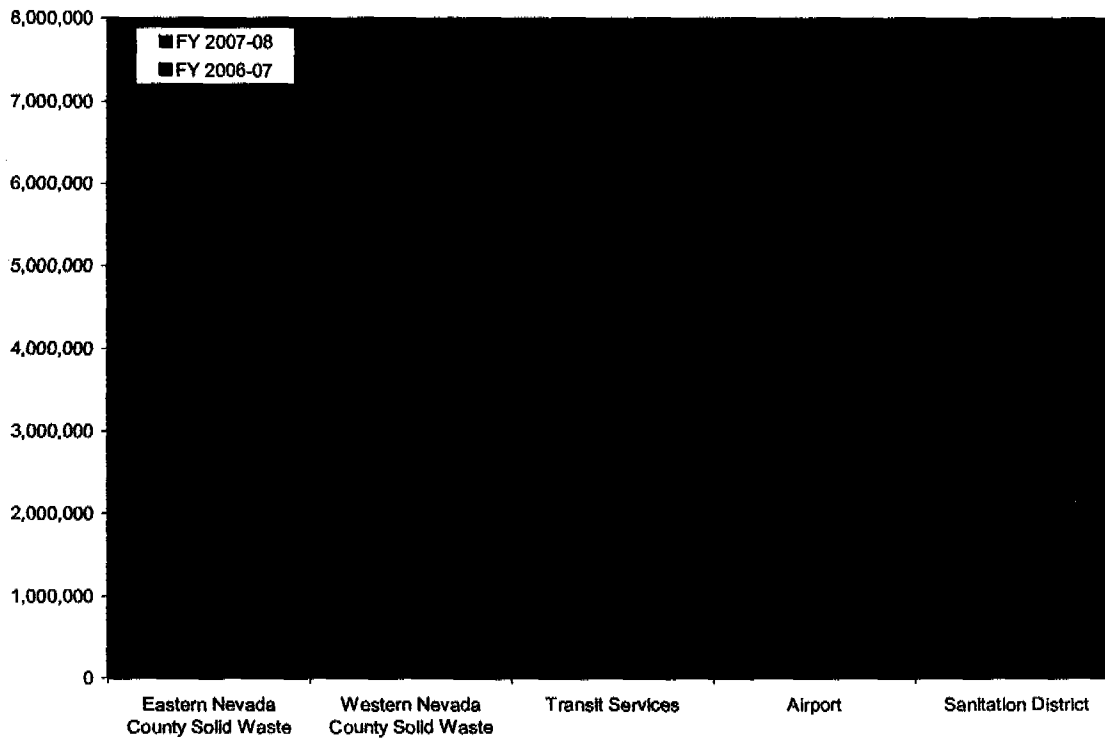


**COUNTY OF NEVADA**  
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Key elements of the increase/decrease in *expenses* in the business-type activities:

- Western Nevada County Solid Waste expenses increased 6.3% or \$434,129 over the prior year. A 12% increase in salary and benefit cost adjustments were the primary factor in this increase totaling \$208,175. In addition, an increase in the landfill post-closure costs of \$131,705 was also recognized.
- Airport operating expenses increased 12.34% or \$158,260 over the prior year. Services and supplies increased 10% or \$67,304. The increase was primarily for professional services for FAA required projects and plans. The balance of the increase in expense is due to the 11.9 % increases in salary and benefit costs.
- Sanitation District expenses increased 15.3% or \$689,345 of which \$500,000 was attributable to the payoff of one of the interim financing loans for one of the capital improvement projects. The balance of the increase in expense is due to the increase in salary and benefit costs.

**Expenses - Business-type Activities**



**COUNTY OF NEVADA**  
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**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The general government functions are contained in the General Fund, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

**Governmental Funds**  
**Combined Balance Sheet**  
**June 30, 2008 and 2007**

	2008	2007	Variance	Change
Total Assets	71,490,510	69,316,634	3.14%	2,173,876
Total Liabilities	14,485,188	12,716,495	13.91%	1,768,693
Fund Balance				
Reserved	7,686,557	7,215,240	6.53%	471,317
Unreserved, reported in:				
General				
Designated	16,073,000	11,596,259	38.61%	4,476,741
Undesignated	2,290,975	3,675,440	-37.67%	-1,384,465
Special Revenue Funds				
Undesignated	30,954,790	34,113,200	-9.26%	-3,158,410
Total Undesignated	33,245,765	37,788,640	-12.02%	-4,542,875
Total Fund Balance	57,005,322	56,600,139	0.72%	405,183
Total Liabilities and Fund Balance	71,490,510	69,316,634	3.14%	2,173,876

As of June 30, 2008, the County's governmental funds reported combined ending fund balances in the amount of \$57,005,322 a slight increase of .72% or \$405,183 in comparison with the prior year's fund balance. Approximately 58.3% of this total amount or \$33,245,765 constitutes *undesignated fund balance*, which is available to meet the County's current and future needs. The *designated fund balance* increased 38.6% or \$4,476,741. This segregation of a portion of the fund balance indicates tentative plans for financial resource utilization in a future period. The remainder of fund balance is reserved to indicate that it is not available for new spending as it has been committed (1) to pay debt service \$2,271,913 (2) to reflect inventories \$132,713 and (3) the amount due from other funds that are long-term in nature and thus do not represent available spendable resources \$97,000, and (4) to liquidate contractual commitments \$770,869, and (5) for a variety of other restricted purposes \$4,414,062.

**COUNTY OF NEVADA**  
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*The General Fund* is the chief operating fund of the County. At June 30, 2008, the total fund balance was \$18,731,147, an increase of \$2,774,033 from the prior fiscal year. Of the unreserved portion of the fund balance, \$16,073,000 was designated for specific purposes and the remaining balance of \$2,290,975 was undesignated.

As a measure of the General Fund's liquidity, it may be useful to compare unreserved, undesignated fund balance and total fund balance to total general fund expenditures. The unreserved fund balance represents 34.3% of total general fund expenditures, while total fund balance represents 35% of that same amount.

The following provides explanations of revenues by source that changed significantly over the prior year:

**Revenues Classified By Source**  
**General Fund**

Revenue Type	FY 2008 Amount	Percent of Total	FY 2007 Amount	Percent of Total	Increase (Decrease) Amount	Percentage of Change
Taxes and Assessments	37,998,736	68.20%	36,445,320	67.84%	1,553,416	4.26%
License and Permits	1,109,512	1.99%	1,064,449	1.98%	45,063	4.23%
Fines and Forfeitures	2,459,742	4.41%	2,029,952	3.78%	429,790	21.17%
Use of Money and Property	1,352,702	2.43%	1,128,937	2.10%	223,765	19.82%
Intergovernmental	4,521,081	8.11%	3,709,196	6.90%	811,885	21.89%
Charges for Service	6,993,841	12.55%	6,732,794	12.53%	261,047	3.88%
Other Revenues	1,278,075	2.29%	2,612,084	4.86%	-1,334,009	-51.07%
Total	55,713,689	100.00%	53,722,732	100.00%	1,990,957	3.71%

*Taxes and Assessments* – Included within the \$1,553,416 or 4.3% this increase in this category are \$1,764,396 of secured tax revenue, \$79,276 in the Sales and Use Tax (Triple Flip) revenue and \$826,348 of Vehicle License Fee (VLF Swap) revenue. The latter two of these revenues are now categorized property tax as the result of State of California and voter approved actions in 2004. The supplemental tax, sales and use tax and the property transfer tax revenue categories all realized a decline from the prior year in the amounts of \$564,536, \$323,840 and \$300,820 respectively.

*Fine and Forfeitures*- The \$429,790 or 21.17% increase in this revenue category was the result of collections of penalties and interest for delinquent property tax payments.

*Use of Money and Property* – The net increase of 19.8% or \$223,765 in this category was partially due to an increase in interest earnings in the amount of \$131,391 and the remainder of \$151,692 to an increase in the collection of building rents from the Courts and communication tower revenues.

*Intergovernmental* – The 21.9 % increase or \$811,885 in this category is due to the addition of several grant programs in which the County participated. Those programs included the Help America Vote Act, Federal Technology for Sheriff, and additional Homeland Security funding.

*Other Revenues* – The 51.07% or \$1,334,009 decrease in this category is attributable to a one-time change in classification from revenue to interfund reimbursements of expenditures.

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

The following provides an explanation of expenditures by function that changed significantly over the prior year:

**Expenditures by Function**  
**General Fund**

Expenditures by Function	FY 2008 Amount	Percent of Total	FY 2007 Amount	Percent of Total	Increase (Decrease) Amount	Percentage of Change
General government	11,931,463	22.28%	11,479,993	23.31%	451,470	3.93%
Public protection	40,281,940	75.23%	36,500,979	74.10%	3,780,961	10.36%
Public Assistance	326,602	0.61%	291,213	0.59%	35,389	12.15%
Education	109,691	0.20%	94,378	0.19%	15,313	16.23%
Capital outlay	877,178	1.64%	873,008	1.77%	4,170	0.48%
Debt Service	15,271	0.03%	18,477	0.04%	-3,206	-17.35%
Total	53,542,145	100.00%	49,258,048	100.00%	4,284,097	8.70%

*General government* – The \$451,470 or 3.93% overall increase in expenditures in this category is across various categories. First, there was a \$1,334,009 reduction in this category attributable to a change in classification from revenue to interfund reimbursements of expenditures along with an increase of \$836,333 in interfund reimbursements for the current year. The reductions were offset by a \$1,379,354 cost associated with the purchase of the HART voting system and the salaries and benefits increase of 10.1% or \$1,405,007.

*Public Protection* – Key factors of the 10.36% or \$3,780,961 increase were primarily in the salaries and benefits expenditures. This category increased 12% or \$ 3,323,154 over the prior year and included the additional cost of nine positions within the Sheriff's operations. The remaining balance of the increase was associated with contracted services, travel, training and care and support expenditures.

*Public Assistance* – The key factor in this 12.15% increase for the category was primarily due to the increase in salaries and benefits costs.

*Debt Service* – The 17.35% decrease in this expenditure category is due to a capital lease purchase that was extinguished in the 2006-07 year.

**Other Major Funds Highlights**

*The Road Fund* is used to account for the activities associated with the construction and maintenance of county roads and bridges. The Road Fund's undesignated fund balance decreased by \$1,260,255 or 20%. The majority of this decrease represents sources that were used to fund the \$1,247,311 or 51% increase in road capital project expenditures.

*The Human Services Agency Fund* is used to account for the majority of the Public Health, Behavioral Health and Social Service programs. The \$1,515,603 net increase in fund balance adds to the existing balance for a total of \$2,178,279 in available funds for future program expenditures.

*The Health and Welfare Realignment Fund* is used to account for direct allocations from the State for sales tax revenues dedicated to certain Health, Mental Health and Social Service programs. The net decrease in fund balance was \$1,346,669 bringing the total fund balance available for future programs expenditures to \$6,447,836.

*Proprietary funds.* The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

Unrestricted net assets (deficits) of the Western Nevada County Solid Waste at June 30, 2008 amounted to (\$7,616,602). Though the unrestricted net assets remain in a deficit, the enterprise operation did have a positive change in Net Assets in the amount of \$1,142,168.

The unrestricted net assets of the Airport enterprise operation decreased to \$25,259 for the fiscal year ending June 30, 2008.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the original budget and the final amended budget resulted in \$3,096,656 net increase in appropriations (excluding transfers). Explanations of significant changes for this increase are as follows:

- \$508,653 was the result of an increase in the General Government budget category. The increase was scattered amongst many service budget units. The most significant amendments effected increases in Elections and Information Systems and an increase in reimbursements to Uses and Sources
- \$2,016,816 was the result of an increase in the Public Protection budget category primarily due to additional appropriations of funds in the District Attorney, Sheriff Operations and Corrections budget units.

The increase was possible through unanticipated revenues from various sources and general reserves, including additional aid from other governments.

At fiscal year end, revenues were slightly under the budgetary estimate by \$759,275 or 1%, and expenditures were under the budgetary estimates by \$2,800,982 or 4%. The net activity, including the transfers, increased the General Fund's fund balance by \$2,774,033.

*Additional information on the General Fund and other major funds budget can be found on pages 60-66.*

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounted to \$315,754,876 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, and equipment.

**County's Capital Assets**  
**(Net of depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Variance</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	
Land and Easements	101,596,798	101,579,438	3,593,251	3,593,251	105,190,049	105,172,689	0.02%
Infrastructure (road sys)	99,413,403	100,965,723	0	0	99,413,403	100,965,723	-1.54%
Infrastructure	17,559,784	17,266,471	12,237,413	11,089,698	29,797,197	28,356,169	5.08%
Structures and Improvements	32,846,013	32,758,004	1,829,659	1,860,916	34,675,672	34,618,920	0.16%
Construction in Progress	1,721,146	1,484,577	38,252,789	22,289,452	39,973,935	23,774,029	68.14%
Equipment	5,210,657	3,888,489	1,493,963	1,148,456	6,704,620	5,036,945	33.11%
<b>Total</b>	<b>258,347,801</b>	<b>257,942,702</b>	<b>57,407,075</b>	<b>39,981,773</b>	<b>315,754,876</b>	<b>297,924,475</b>	<b>5.98%</b>

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

*Construction in progress* – The capital improvements to the Sanitation District assets were the key factors in the 68.14% increase reflected in 2008. Projects are in progress and will be reclassified to appropriate asset categories upon completion.

*Additional information on the County's capital assets can be found in Note 3(C) on pages 45-46 of this report.*

**Long-term debt.** At June 30, 2008, the County had total debt outstanding of \$79,043,955.

**County's Outstanding Debt**  
**Certificates of Participation, Notes Payable, Capital Lease Obligations, Compensated Absences**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Variance</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	
Certificate of Participation	13,850,000	14,730,000	7,789,519	8,216,119	21,639,519	22,946,119	-5.7%
Accrued Claims Liability	841,191	689,198			841,191	689,198	22.1%
Loans	3,752,254	3,893,757	31,623,342	23,373,698	35,375,596	27,267,455	29.7%
Special Assessment Debt	320,000	329,908	172,000	234,000	492,000	563,908	-12.8%
Landfill Post Closure			13,251,906	13,514,659	13,251,906	13,514,659	-1.9%
Capital Leases	48,378	33,577			48,378	33,577	44.1%
Compensated Absences	5,136,295	4,460,030	319,070	252,272	5,455,365	4,712,302	15.8%
Net OPEB Obligation	1,940,000	0	0	0	1,940,000	0	100.0%
<b>Total</b>	<b>25,888,118</b>	<b>24,136,470</b>	<b>53,155,837</b>	<b>45,590,748</b>	<b>79,043,955</b>	<b>69,727,218</b>	<b>13.4%</b>

The County's total outstanding debt increased by \$9,316,737, or 13.4 %, during the fiscal year. The key factor for the increase was in the securing of additional capital improvement loans by the Sanitation District to fund two large plant upgrade projects in the amount of \$8,249,644. The net difference is a decrease due to the payment of the annual scheduled principal payments primarily on the Certificates of Participation in the amount of \$1,306,600 and the first time recognition of the Net OPEB Obligation (NOO) of \$1,940,000.

*Additional information on the County's long-term debt can be found in Note 3 on pages 47-52 of this report.*

**Infrastructure Assets Reported Under the Modified Approach**

The County is using the modified approach to account for the maintained road system. This method is in-lieu of the depreciation method used for all other assets. The County has set their average Pavement Condition Index (PCI) rating at 62. The rating must be achieved for each three year assessment period. The first three year assessment completed June 30, 2006, achieved on average of PCI rating of 67. As of June 30, 2008, the County's maintained road system was rated at an average PCI index of 66.

**COUNTY OF NEVADA**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**

**Road System Infrastructure Assets Using Modified Approach**  
**Summary Activity for Fiscal Year ending June 30, 2008**

Expenditures	Capital Improvements	Preservation Maintenance	General Maintenance	Total Cost
Planned	1,809,000	2,338,068	243,495	4,390,563
Actual	1,335,344	3,407,548	2,726,774	7,469,666
Difference	-473,656	1,069,480	2,483,279	3,079,103

The differences for the unmet planned expenditures for the Capital improvements were related to several projects being rolled to the 2008/09 fiscal year and one project being put on hold.

Under the Preservation and General Maintenance categories, the actual costs exceeded the planned expenditures. The differences are due to the fact that the costs of labor, equipment, inventory and the annual striping contract were not included in the original planned amounts.

*Additional information on the County's use of the Modified Approach can be found in Required Supplementary Information (RSI) on page 68 of this report.*

**Economic Factors and Next Year's Budget for FY 2008-09**

The downturn of the economy continues to impact the County on a number of fronts. The State of California continues to struggle with its budget deficit which in turn hampers the County's ability to effectively plan for both the present and the future.

The housing crisis across the nation has had a tremendous effect on all sectors of the economy. The real estate sales activity has slowed and the market prices have dropped significantly in some areas. Data shows recent selling prices of homes in the area have been impacted by the general housing market trends with prices of local homes declining by 18.53% to a median price of \$365,000 as of October 2008. This is reflective in the growth rate in property tax revenues which has decreased from the prior year to 3.5%. The slump of the real estate market will effect the growth of revenue in this category for future years.

The sales and use tax revenue stream continues to decline as consumer confidence wanes and spending constricts. This has a direct effect on the 1/8% sales tax revenue source for the Library fund, as well as the County's direct share of various State allocations based on sales tax collections.

Nevada County unemployment rate increased to 7.2 % from 4.7% just a year ago, but remains lower than the statewide rate of 8.2%.

The fiscal year 2008-09 adopted budget for all County funds totals \$190,904,907 a 5% increase when compared to the prior year. The General Fund 2008-09 budget is \$63,944,148, which was a 4 % increase from the adopted 2007-08 budget.

*The 2008-09 budget documents are available on the County's website: [www.mynevadacounty.com](http://www.mynevadacounty.com).*

**Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Nevada County Auditor-Controller, Marcia L. Salter, 950 Maidu Avenue, Nevada City CA 95959. This entire report is available online at <http://new.mynevadacounty.com/auditor/>



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**BASIC FINANCIAL STATEMENTS**  
Government-Wide Financial Statements

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**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 41,465,234	\$ 22,501,862	\$ 63,967,096
Restricted cash and investments	2,138,574	1,031,887	3,170,461
Accounts receivable (net of allowance)	1,131,092	719,812	1,850,904
Taxes receivable	1,243,625	-	1,243,625
Due from other governmental agencies	9,784,631	172,440	9,957,071
Due from other agencies	8,902,179	-	8,902,179
Internal balances	149,237	(149,237)	-
Inventory	204,729	62,162	266,891
Deposits	35,000	-	35,000
Prepaid costs	18,911	-	18,911
Loans receivable	4,414,062	-	4,414,062
Capital assets:			
Non depreciable	202,731,347	41,846,040	244,577,387
Depreciable, net	55,616,454	15,561,035	71,177,489
Total capital assets	<u>258,347,801</u>	<u>57,407,075</u>	<u>315,754,876</u>
<b>Total Assets</b>	<u>327,835,075</u>	<u>81,746,001</u>	<u>409,581,076</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	3,643,600	1,363,499	5,007,099
Accrued salaries and benefits	2,908,698	209,803	3,118,501
Accrued interest payable	202,931	303,163	506,094
Deposits payable	244,096	35,552	279,648
Unearned revenue	900,443	1,720,774	2,621,217
Long-term liabilities:			
Due within one year	7,066,803	4,783,734	11,850,537
Due in more than one year	18,821,315	48,372,103	67,193,418
<b>Total Liabilities</b>	<u>33,787,886</u>	<u>56,788,628</u>	<u>90,576,514</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	240,377,169	25,611,733	265,988,902
Restricted for:			
Debt service	2,271,913	-	2,271,913
Grants, taxes, and fees	36,002,262	-	36,002,262
Unrestricted	15,395,845	(654,360)	14,741,485
<b>Total Net Assets</b>	<u>\$294,047,189</u>	<u>\$ 24,957,373</u>	<u>\$319,004,562</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 13,734,811	\$ 5,999,606	\$ 1,769,094	\$ -
Public ways and facilities	10,455,997	2,730,449	5,667,356	-
Public protection	52,982,684	5,240,057	16,344,042	-
Health and sanitation	21,056,211	1,759,838	17,610,432	-
Public assistance	25,413,676	59,647	22,056,481	-
Education	3,015,545	99,526	66,409	-
Recreation	245,653	1,914	158,968	-
Interest on long-term debt	917,161	-	-	-
<b>Total Governmental Activities</b>	<b>127,821,738</b>	<b>15,891,037</b>	<b>63,672,782</b>	<b>-</b>
Business-type activities:				
Eastern Nevada County Solid Waste	127,515	112,302	-	-
Western Nevada County Solid Waste	7,369,951	7,711,070	153,543	-
Transit Services	3,858,023	519,658	874,324	-
Airport	1,441,091	773,809	12,107	75,636
Sanitation District	5,191,420	5,969,966	-	-
<b>Total Business-type Activities</b>	<b>17,988,000</b>	<b>15,086,805</b>	<b>1,039,974</b>	<b>75,636</b>
<b>Total</b>	<b>\$ 145,809,738</b>	<b>\$ 30,977,842</b>	<b>\$ 64,712,756</b>	<b>\$ 75,636</b>

**General revenues:**

**Taxes:**

Property taxes

Sales and use taxes

Property transfer taxes

Transient occupancy taxes

Timber yield taxes

Aircraft taxes

Franchise taxes

Transportation taxes

Other taxes

Grants and contributions - unrestricted

Tobacco settlement

Interest and investment earnings

Miscellaneous

Gain (loss) on sale of capital assets

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Assets**

**Net Assets - Beginning**

Prior period adjustment

**Net Assets - Beginning, Restated**

**Net Assets - Ending**

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and  
Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ (5,966,111)	\$ -	\$ (5,966,111)
(2,058,192)	-	(2,058,192)
(31,398,585)	-	(31,398,585)
(1,685,941)	-	(1,685,941)
(3,297,548)	-	(3,297,548)
(2,849,610)	-	(2,849,610)
(84,771)	-	(84,771)
(917,161)	-	(917,161)
<u>(48,257,919)</u>	<u>-</u>	<u>(48,257,919)</u>
-	(15,213)	(15,213)
-	494,662	494,662
-	(2,464,041)	(2,464,041)
-	(579,539)	(579,539)
-	778,546	778,546
<u>-</u>	<u>(1,785,585)</u>	<u>(1,785,585)</u>
<u>(48,257,919)</u>	<u>(1,785,585)</u>	<u>(50,043,504)</u>
33,565,001	6,723	33,571,724
5,065,713	-	5,065,713
673,351	-	673,351
285,205	17,920	303,125
52,232	-	52,232
82,318	48,611	130,929
1,013,065	-	1,013,065
62,727	2,631,864	2,694,591
41,288	-	41,288
4,396,990	-	4,396,990
1,017,403	-	1,017,403
2,441,133	1,251,801	3,692,934
1,032,807	1,712,677	2,745,484
800,986	-	800,986
<u>(660,365)</u>	<u>660,365</u>	<u>-</u>
<u>49,869,854</u>	<u>6,329,961</u>	<u>56,199,815</u>
<u>1,611,935</u>	<u>4,544,376</u>	<u>6,156,311</u>
293,895,613	18,423,356	312,318,969
<u>(1,460,359)</u>	<u>1,989,641</u>	<u>529,282</u>
<u>292,435,254</u>	<u>20,412,997</u>	<u>312,848,251</u>
<u>\$ 294,047,189</u>	<u>\$ 24,957,373</u>	<u>\$ 319,004,562</u>

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**BASIC FINANCIAL STATEMENTS**  
Fund Financial Statements

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**COUNTY OF NEVADA, CALIFORNIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	<u>General Fund</u>	<u>Road Fund</u>	<u>Community Development Agency</u>	<u>Human Services Agency</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 8,222,206	\$ 4,856,994	\$ 369,875	\$ 280
Restricted cash and investments	-	-	-	-
Accounts receivable (net of allowance)	758,742	1,919	163,719	59,218
Due from other governmental agencies	1,514,425	1,133,413	76,571	3,144,022
Due from other agencies	8,902,179	-	-	-
Taxes receivable	962,625	-	-	-
Due from other funds	2,411,448	251,672	304,999	1,551,996
Inventory	-	132,713	-	-
Advances to other funds	97,000	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 22,868,625</u></b>	<b><u>\$ 6,376,711</u></b>	<b><u>\$ 915,164</u></b>	<b><u>\$ 4,755,516</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 1,175,381	\$ 464,225	\$ 81,680	\$ 922,416
Accrued salaries and benefits	1,746,730	184,695	199,489	536,958
Deposits payable	-	31,754	168,179	44,163
Due to other funds	405,336	127,204	54,135	447,328
Deferred revenue	810,031	187,764	86,017	322,572
Unearned revenue	-	110,227	256,182	303,800
Advance from other funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>4,137,478</u></b>	<b><u>1,105,869</u></b>	<b><u>845,682</u></b>	<b><u>2,577,237</u></b>
<b><u>FUND BALANCES</u></b>				
Reserved for:				
Debt service	-	-	-	-
Encumbrances	270,172	337,761	-	123,500
Inventory	-	132,713	-	-
Advances	97,000	-	-	-
Loans receivable	-	-	-	-
Unreserved, reported in:				
General				
Designated	16,073,000	-	-	-
Undesignated	2,290,975	-	-	-
Special revenue funds				
Undesignated	-	4,800,368	69,482	2,054,779
<b>Total Fund Balances</b>	<b><u>18,731,147</u></b>	<b><u>5,270,842</u></b>	<b><u>69,482</u></b>	<b><u>2,178,279</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 22,868,625</u></b>	<b><u>\$ 6,376,711</u></b>	<b><u>\$ 915,164</u></b>	<b><u>\$ 4,755,516</u></b>

The notes to the basic financial statements are an integral part of this statement.

Health and Welfare Realignment	Other Governmental Funds	Total
\$ 6,179,452	\$ 18,433,860	\$ 38,062,667
-	2,138,574	2,138,574
-	134,805	1,118,403
1,182,380	2,733,820	9,784,631
-	-	8,902,179
-	281,000	1,243,625
21,211	835,591	5,376,917
-	-	132,713
-	219,739	316,739
-	4,414,062	4,414,062
<u>\$ 7,383,043</u>	<u>\$ 29,191,451</u>	<u>\$ 71,490,510</u>

\$ -	\$ 593,098	\$ 3,236,800
-	205,791	2,873,663
-	-	244,096
935,207	3,566,518	5,535,728
-	298,569	1,704,953
-	-	670,209
-	219,739	219,739
<u>935,207</u>	<u>4,883,715</u>	<u>14,485,188</u>

-	2,271,913	2,271,913
-	39,436	770,869
-	-	132,713
-	-	97,000
-	4,414,062	4,414,062
-	-	16,073,000
-	-	2,290,975
<u>6,447,836</u>	<u>17,582,325</u>	<u>30,954,790</u>
<u>6,447,836</u>	<u>24,307,736</u>	<u>57,005,322</u>
<u>\$ 7,383,043</u>	<u>\$ 29,191,451</u>	<u>\$ 71,490,510</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**  
**TO THE GOVERNMENT-WIDE STATEMENT OF**  
**NET ASSETS - GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2008**

<b>Total Fund Balance - Total Governmental Funds</b>	<b>\$ 57,005,322</b>
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.	256,917,256
Other long term assets are not available to pay for current period expenditures and therefore, are not reported in the funds or are reported as deferred in the governmental funds.	
Deferred revenue	1,704,953
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds balance sheets.	(202,931)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Bonds payable	(320,000)
Certificates of participation	(13,850,000)
Loans payable	(3,752,253)
Capital leases payable	(32,099)
Compensated absences	(5,058,861)
Net OPEB obligation	(1,940,000)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets.	<u>3,575,802</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 294,047,189</u></b>

The notes to the basic financial statements are an integral part of this statement.

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**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>General Fund</u>	<u>Road Fund</u>	<u>Community Development Agency</u>	<u>Human Services Agency</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 37,998,736	\$ 62,727	\$ 17,920	\$ -
Licenses and permits	1,109,512	28,772	1,670,201	588
Fines and forfeitures	2,459,742	-	535	672
Use of money and property	1,352,702	202,362	51,251	(25,908)
Intergovernmental	4,521,081	5,865,441	857,551	29,465,875
Charges for services	6,993,841	474,351	2,082,826	475,699
Other revenues	1,278,075	87,412	198,019	130,420
<b>Total Revenues</b>	<b>55,713,689</b>	<b>6,721,065</b>	<b>4,878,303</b>	<b>30,047,346</b>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	11,931,463	-	-	-
Public ways and facilities	-	8,834,055	-	-
Public protection	40,281,940	-	5,050,252	-
Health and sanitation	-	-	2,227,369	15,565,235
Public assistance	326,602	-	-	22,063,382
Education	109,691	-	-	-
Recreation	-	-	-	-
Debt service:				
Principal	13,120	-	-	-
Interest and other charges	2,151	-	-	-
Capital outlay	877,178	3,655,806	-	-
<b>Total Expenditures</b>	<b>53,542,145</b>	<b>12,489,861</b>	<b>7,277,621</b>	<b>37,628,617</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,171,544</b>	<b>(5,768,796)</b>	<b>(2,399,318)</b>	<b>(7,581,271)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	8,177,686	4,438,921	2,443,740	9,100,757
Transfers out	(8,408,933)	-	(262,423)	(3,883)
Issuance of debt	32,750	-	-	-
Sale of capital assets	800,986	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>602,489</b>	<b>4,438,921</b>	<b>2,181,317</b>	<b>9,096,874</b>
<b>Net Change In Fund Balances</b>	<b>2,774,033</b>	<b>(1,329,875)</b>	<b>(218,001)</b>	<b>1,515,603</b>
<b>Fund Balances - Beginning</b>	<b>15,957,114</b>	<b>6,600,717</b>	<b>287,483</b>	<b>662,676</b>
<b>Fund Balances - Ending</b>	<b>\$ 18,731,147</b>	<b>\$ 5,270,842</b>	<b>\$ 69,482</b>	<b>\$ 2,178,279</b>

The notes to the basic financial statements are an integral part of this statement.

Health and Welfare Realignment	Other Governmental Funds	Total
\$ -	\$ 1,696,220	\$ 39,775,603
-	11,224	2,820,297
-	621,151	3,082,100
800	718,502	2,299,709
6,822,089	19,801,195	67,333,232
-	984,588	11,011,305
-	1,055,405	2,749,331
<u>6,822,889</u>	<u>24,888,285</u>	<u>129,071,577</u>
-	729,911	12,661,374
-	323,905	9,157,960
-	6,114,905	51,447,097
-	2,934,613	20,727,217
-	2,761,107	25,151,091
-	2,778,678	2,888,369
-	245,653	245,653
-	1,031,412	1,044,532
-	864,588	866,739
-	88,267	4,621,251
<u>-</u>	<u>17,873,039</u>	<u>128,811,283</u>
<u>6,822,889</u>	<u>7,015,246</u>	<u>260,294</u>
127,268	5,105,931	29,394,303
(8,296,826)	(13,111,085)	(30,083,150)
-	-	32,750
-	-	800,986
<u>(8,169,558)</u>	<u>(8,005,154)</u>	<u>144,889</u>
(1,346,669)	(989,908)	405,183
<u>7,794,505</u>	<u>25,297,644</u>	<u>56,600,139</u>
<u>\$ 6,447,836</u>	<u>\$ 24,307,736</u>	<u>\$ 57,005,322</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 405,183**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	4,621,251
Depreciation expense	(2,138,567)
Various adjustments affecting capital assets (including sales, trade-ins, and developer contributions)	(140,889)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the cost of the capital assets disposed. There were no significant proceeds.

(694,037)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal retirements	1,044,532
Proceeds from issuance of debt	(32,750)

Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in accounts receivable	(930,866)
Change in deferred revenue	1,704,953

Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in net OPEB obligation	(1,940,000)
Change in compensated absences payable	(662,185)
Change in accrued interest on long-term debt	(50,422)

Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal services funds is reported with governmental activities.

425,732

**Change in Net Assets of Governmental Activities**

\$ 1,611,935

The notes to the basic financial statements are an integral part of this statement.



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**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2008**

	Business-type Activities Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 12,461,465	\$ 128,339	\$ 7,953,496	\$ 1,958,562
Restricted cash and investments	1,006,887	-	25,000	-
Accounts receivable (net of allowance)	455,477	97,409	8,324	158,602
Due from other governmental agencies	35,265	-	-	137,175
Due from other funds	37,426	33,504	1,519,772	6,163
Prepaid costs	-	-	-	-
Inventory	-	60,439	-	1,723
Deposits	-	-	-	-
<b>Total Current Assets</b>	<b>13,996,520</b>	<b>319,691</b>	<b>9,506,592</b>	<b>2,262,225</b>
Noncurrent Assets				
Capital assets:				
Non-depreciable	765,867	1,887,633	39,166,131	26,409
Depreciable, net	1,416,859	2,910,108	10,541,023	693,045
<b>Total Noncurrent Assets</b>	<b>2,182,726</b>	<b>4,797,741</b>	<b>49,707,154</b>	<b>719,454</b>
<b>Total Assets</b>	<b>16,179,246</b>	<b>5,117,432</b>	<b>59,213,746</b>	<b>2,981,679</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	357,961	84,821	591,298	329,419
Accrued salaries and benefits	66,811	9,013	76,783	57,196
Accrued interest payable	33,619	57,551	211,993	-
Deposits payable	33,552	2,000	-	-
Due to other funds	136,021	540	1,525,949	63,636
Unearned revenue	-	24,877	-	1,695,897
Compensated absences payable	57,802	22,630	166,835	71,803
Capital leases payable	-	-	-	-
Certificates of participation	441,600	-	-	-
Bonds payable	-	-	72,000	-
Loans payable	-	45,351	1,443,630	-
Accrued claims payable	-	-	-	-
Closure/postclosure costs	2,459,083	-	-	3,000
<b>Total Current Liabilities</b>	<b>3,586,449</b>	<b>246,783</b>	<b>4,088,488</b>	<b>2,220,951</b>
Noncurrent Liabilities				
Advances from other funds	-	93,000	4,000	-
Capital leases payable	-	-	-	-
Certificates of participation	7,347,919	-	-	-
Bonds payable	-	-	100,000	-
Loans payable	-	246,050	29,888,311	-
Closure/postclosure costs	10,678,754	-	-	111,069
<b>Total Noncurrent Liabilities</b>	<b>18,026,673</b>	<b>339,050</b>	<b>29,992,311</b>	<b>111,069</b>
<b>Total Liabilities</b>	<b>21,613,122</b>	<b>585,833</b>	<b>34,080,799</b>	<b>2,332,020</b>

The notes to the basic financial statements are an integral part of this statement.

	Governmental Activities
Totals	Internal Service Funds
\$ 22,501,862	\$ 3,402,567
1,031,887	-
719,812	12,689
172,440	-
1,596,865	488,205
-	18,911
62,162	72,016
-	35,000
<u>26,085,028</u>	<u>4,029,388</u>
41,846,040	-
<u>15,561,035</u>	<u>1,430,545</u>
<u>57,407,075</u>	<u>1,430,545</u>
<u>83,492,103</u>	<u>5,459,933</u>
1,363,499	406,800
209,803	35,035
303,163	-
35,552	-
1,726,146	200,113
1,720,774	230,234
319,070	77,435
-	5,281
441,600	-
72,000	-
1,488,981	-
-	841,191
<u>2,462,083</u>	<u>-</u>
<u>10,142,671</u>	<u>1,796,089</u>
97,000	-
-	10,998
7,347,919	-
100,000	-
30,134,361	-
<u>10,789,823</u>	<u>-</u>
<u>48,469,103</u>	<u>10,998</u>
<u>58,611,774</u>	<u>1,807,087</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2008**

	Business-type Activities Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,182,726	4,506,340	18,203,213	719,454
Unrestricted	(7,616,602)	25,259	6,929,734	(69,795)
<b>Total Net Assets</b>	<b>\$ (5,433,876)</b>	<b>\$ 4,531,599</b>	<b>\$ 25,132,947</b>	<b>\$ 649,659</b>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

**Net Assets of Business-Type Activities**

The notes to the basic financial statements are an integral part of this statement.

	Governmental Activities
Totals	Internal Service Funds
25,611,733	1,414,266
(731,404)	2,238,580
24,880,329	\$ 3,652,846
77,044	
<u>\$ 24,957,373</u>	

**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Business-type Activities Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 7,711,070	\$ 18,855	\$ 5,969,966	\$ 631,960
Fuel sales	-	754,954	-	-
<b>Total Operating Revenues</b>	<b>7,711,070</b>	<b>773,809</b>	<b>5,969,966</b>	<b>631,960</b>
<b><u>OPERATING EXPENSES</u></b>				
Salaries and benefits	1,837,017	256,314	2,074,616	1,562,714
Services and supplies	4,207,540	809,552	1,366,157	2,036,352
Benefit and claim expense	10,328	-	-	6,477
Other charges	201,008	38,730	304,789	84,736
Expenditure transfers	76,147	3,933	155,137	56,412
Closure/post closure expense	345,396	-	-	2,999
Depreciation	169,960	297,650	657,767	214,039
<b>Total Operating Expenses</b>	<b>6,847,396</b>	<b>1,406,179</b>	<b>4,558,466</b>	<b>3,963,729</b>
<b>Operating Income (Loss)</b>	<b>863,674</b>	<b>(632,370)</b>	<b>1,411,500</b>	<b>(3,331,769)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Taxes and assessments	-	73,253	-	2,631,865
Forfeitures and penalties	-	-	-	-
Intergovernmental revenues	153,543	87,743	-	874,324
Interest income	584,963	6,447	608,435	51,956
Other revenues	34,905	192,675	1,471,315	2,077
Interest expense	(492,503)	(34,331)	(38,570)	3,332
Amortization	(25,590)	-	-	-
Impairment loss	-	-	(584,122)	-
Gain (loss) on disposition of capital assets	6,930	-	4,775	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>262,248</b>	<b>325,787</b>	<b>1,461,833</b>	<b>3,563,554</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>1,125,922</b>	<b>(306,583)</b>	<b>2,873,333</b>	<b>231,785</b>
Capital contribution	-	-	-	-
Transfers in	16,246	29,908	614,211	-
Transfers out	-	-	-	-
<b>Change in Net Assets</b>	<b>1,142,168</b>	<b>(276,675)</b>	<b>3,487,544</b>	<b>231,785</b>
<b>Total Net Assets - Beginning</b>	<b>(6,576,044)</b>	<b>4,808,274</b>	<b>19,655,762</b>	<b>417,874</b>
Prior period adjustment	-	-	1,989,641	-
<b>Total Net Assets - Beginning, Restated</b>	<b>(6,576,044)</b>	<b>4,808,274</b>	<b>21,645,403</b>	<b>417,874</b>
<b>Total Net Assets - Ending</b>	<b>\$ (5,433,876)</b>	<b>\$ 4,531,599</b>	<b>\$ 25,132,947</b>	<b>\$ 649,659</b>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

**Change in Net Assets of the Business-Type Activities**

The notes to the basic financial statements are an integral part of this statement.

	Governmental Activities
Totals	Internal Service Funds
\$ 14,331,851	\$ 7,248,280
754,954	-
15,086,805	7,248,280
5,730,661	973,881
8,419,601	4,515,100
16,805	1,073,806
629,263	68,023
291,629	175,836
348,395	-
1,339,416	423,386
16,775,770	7,230,032
(1,688,965)	18,248
2,705,118	-
-	10,953
1,115,610	-
1,251,801	141,425
1,700,972	10,617
(562,072)	(1,698)
(25,590)	-
(584,122)	-
11,705	36,370
5,613,422	197,667
3,924,457	215,915
-	140,889
660,365	44,728
-	(16,246)
4,584,822	385,286
	3,267,560
	-
	3,267,560
	\$ 3,652,846
(40,446)	
\$ 4,544,376	

**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Business-type Activities Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Receipts from customers	\$ 7,970,566	\$ 766,709	\$ 5,961,715	\$ 526,664
Payments to suppliers	(5,067,048)	(837,665)	(3,511,696)	(1,925,877)
Payments to employees	(1,807,325)	(244,066)	(2,037,022)	(1,547,386)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,096,193</b>	<b>(315,022)</b>	<b>412,997</b>	<b>(2,946,599)</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Grants and other receipts	181,103	364,486	1,671,137	5,021,990
Transfers from other funds	16,246	29,908	40,873,221	-
Transfers to other funds	-	-	(40,548,708)	-
Interfund loans received	78,006	-	518,549	3,327
Interfund loans made	-	(29,072)	(384,620)	(8,393)
Interfund loans repaid	-	(939)	(1,280,508)	(35,022)
Interfund loan repayments received	6,539	-	1,306,859	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>281,894</b>	<b>364,383</b>	<b>2,155,930</b>	<b>4,981,902</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Acquisition of capital assets	(518,147)	(7,102)	(16,422,278)	(463,937)
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of debt	-	-	17,801,308	-
Principal paid on capital debt	(490,000)	(42,957)	(9,570,707)	-
Interest paid on capital debt	(421,074)	(27,675)	(204,209)	-
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<b>(1,429,221)</b>	<b>(77,734)</b>	<b>(8,395,886)</b>	<b>(463,937)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest and dividends	584,963	6,447	608,437	51,956
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>584,963</b>	<b>6,447</b>	<b>608,437</b>	<b>51,956</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>533,829</b>	<b>(21,926)</b>	<b>(5,218,522)</b>	<b>1,623,322</b>
<b>Balances - Beginning of the Year</b>	<b>12,934,523</b>	<b>150,265</b>	<b>13,197,018</b>	<b>335,240</b>
<b>Balances - End of the Year</b>	<b>\$ 13,468,352</b>	<b>\$ 128,339</b>	<b>\$ 7,978,496</b>	<b>\$ 1,958,562</b>

The notes to the basic financial statements are an integral part of this statement.



	Governmental Activities
Totals	Internal Service Funds
\$ 15,225,654	\$ 7,225,603
(11,342,286)	(5,462,316)
(5,635,799)	(953,588)
(1,752,431)	809,699
7,238,716	21,570
40,919,375	44,728
(40,548,708)	(16,246)
599,882	25,667
(422,085)	(161,345)
(1,316,469)	(190,453)
1,313,398	192,743
7,784,109	(83,336)
(17,411,464)	(507,196)
-	43,369
17,801,308	-
(10,103,664)	(4,830)
(652,958)	(1,698)
(10,366,778)	(470,355)
1,251,803	141,425
1,251,803	141,425
(3,083,297)	397,433
26,617,046	3,005,134
\$ 23,533,749	\$ 3,402,567

**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Business-type Activities Enterprise Funds			
	Western Nevada County Solid Waste	Airport	Sanitation District	Other Enterprise Funds
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Operating income (loss)	\$ 863,674	\$ (632,370)	\$ 1,411,500	\$ (3,331,769)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	169,960	297,650	657,767	214,039
Decrease (increase) in:				
Accounts receivable	258,859	(17,209)	(8,251)	(105,296)
Deposits	-	-	-	-
Prepaid costs	-	-	-	-
Inventory	-	(1,594)	-	4,534
Increase (decrease) in:				
Accounts payable	39,123	16,144	(1,685,613)	253,566
Accrued salaries and benefits	10,178	854	9,731	7,301
Deposits payable	637	-	-	-
Unearned revenue	-	10,109	-	-
Compensated absences payable	19,514	11,394	27,863	8,027
Claims payable	-	-	-	-
Closure/post closure	(265,752)	-	-	2,999
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,096,193</b>	<b>\$ (315,022)</b>	<b>\$ 412,997</b>	<b>\$ (2,946,599)</b>
<b><u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u></b>				
Capital asset impairment	\$ -	\$ -	\$ (584,122)	\$ -
Debt abatement	-	-	614,211	-
Contribution of capital assets from governmental activities	-	-	-	-

The notes to the basic financial statements are an integral part of this statement.

	<u>Governmental Activities</u>	
<u>Totals</u>	<u>Internal Service Funds</u>	
\$ (1,688,965)	\$	18,248
1,339,416		423,386
128,103		(10,306)
-		6,310
-		79,170
2,940		-
(1,376,780)		139,286
28,064		6,212
637		-
10,109		15,023
66,798		(19,623)
-		151,993
(262,753)		-
<u>\$ (1,752,431)</u>	<u>\$</u>	<u>809,699</u>

\$ (584,122)	\$	-
614,211		-
-		140,889

**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2008**

	<u>Investment Trust Funds</u>	<u>Agency</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 64,700,923	\$ 2,052,327
Restricted cash and investments	-	323,016
Accounts receivable	519,800	-
Taxes receivable	-	11,018,559
<b>Total Assets</b>	<u>65,220,723</u>	<u>13,393,902</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	137,370	-
Due to other agencies	-	8,902,179
Agency obligations	-	4,491,723
<b>Total Liabilities</b>	<u>137,370</u>	<u>13,393,902</u>
<b><u>NET ASSETS</u></b>		
Net assets held in trust for investment pool participants	<u>\$ 65,083,353</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF NEVADA, CALIFORNIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Investment Trust Funds</u>
<b><u>ADDITIONS</u></b>	
Contributions:	
Contributions to investment pool	\$ 384,619,561
Net investment income:	
Interest income	<u>3,136,001</u>
Net investment income	<u>3,136,001</u>
<b>Total Additions</b>	<u>387,755,562</u>
<b><u>DEDUCTIONS</u></b>	
Distributions from investment pool	<u>388,330,886</u>
<b>Total Deductions</b>	<u>388,330,886</u>
Change in Net Assets	(575,324)
Net Assets - Beginning	<u>65,658,677</u>
Net Assets - Ending	<u><u>\$ 65,083,353</u></u>

The notes to the basic financial statements are an integral part of this statement.

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**BASIC FINANCIAL STATEMENTS**  
Notes to Basic Financial Statements

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**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a county wide basis including law and justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning and tax collection.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations whose component units nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County of Nevada, Auditor-Controller's Office, 950 Maidu Avenue, Nevada City, CA 95959.

The blended component units' governing bodies are substantively the same as the governing body of the primary government. Component units that are blended into the reporting activity types of the County's report are presented below:

**Special Revenue Funds:**

Nevada County Housing Authority  
Special Districts Governed by the Board of Supervisors

**Debt Service Funds:**

Special Assessment Debt with County Commitment  
Nevada County Finance Authority

**Enterprise Funds:**

Sanitation District

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net assets and statement of activities display information on all of the nonfiduciary activities of the County, and its blended component units. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**B. Basis of Presentation (Continued)**

**Government-Wide Financial Statements (Continued)**

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The County reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation services.
- The Road Fund is a special revenue fund used to account for the revenues and expenditures for streets and road expansion.
- The Community Development Agency Fund is a special revenue fund used to account for the operation of community development programs.
- The Human Services Agency Fund is a special revenue fund used to account for revenues and expenditures for human service programs.
- The Health and Welfare Realignment Fund is a special revenue fund used to account for revenues and expenditures for public and mental health and social services programs.

The County reports the following major proprietary funds:

- The Western Nevada County Solid Waste Fund is an enterprise fund used to account for activity related to providing customers with solid waste management and billing for services provided by the County.
- The Airport Fund is an enterprise fund used to account for activity related to the County Airport and billing for services provided by the County.
- The Sanitation District Fund is an enterprise fund used to account for activity related to providing customers with sanitation management and billing for services provided by the County.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**B. Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The County reports the following additional fund types:

- Internal Service Funds account for the County's fleet maintenance and self insurance programs which provide services to other departments on a cost reimbursement basis.
- The Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of five separate funds; Special Districts governed by Local Boards, School Districts, School Districts Debt Service, Courts and Jury/Witness and Local Transportation Authority. These funds account for assets, primarily cash and investments in the County's investment pool, owned by legally separate entities such as school and community colleges, special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities. The County is obligated to disburse monies from these funds on demand.
- Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include two separate components.

Accrued Trust Funds - Accounts for property tax receipts awaiting apportionment to other local governmental agencies and investment earnings awaiting apportionment to other local government agencies.

County Departmental Agency - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

**C. Basis of Accounting and Measurement Focus**

The government-wide, proprietary funds and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, because agency funds only report assets and liabilities, they do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. Governmental capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, grants, entitlements, special assessments and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period when they meet the measurable and available criteria. Fines, licenses and permits, and charges for services are considered to be measurable and available only when the County receives cash.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**C. Basis of Accounting and Measurement Focus (Continued)**

For its business-type activities and enterprise funds, the County has elected, under Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", to apply all applicable pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected not to follow subsequent private sector guidance. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America (GAAP) for government units.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Cash and Cash Equivalents**

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments, except cash with fiscal agent, of the proprietary fund types are pooled with the County's pooled cash and investments.

**E. Cash and Investments**

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund

Investment transactions are recorded on the trade date. Investments are reported at fair value which is determined using selected bases annually. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants each quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2008, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General Fund per County Policy. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**F. Receivables**

In the government-wide and proprietary fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

**G. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

See Note 3 for details of interfund transactions, including receivables and payables at year end.

**H. Inventory and Prepaid Costs**

Inventories are stated at average cost for governmental and proprietary funds. Inventory recorded by governmental funds includes materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Inventory recorded by proprietary funds includes supplies for internal service funds. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are accounted for as prepaid costs.

**I. Loans Receivable**

For the purpose of the governmental fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**J. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, sewer, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with a cost of more than \$5,000 for equipment and \$25,000 for structures and infrastructure and an estimated useful life of more than two years. Such assets are recorded at historical or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

In the government-wide financial statements, property, plant, equipment and infrastructure (except for the maintained road system) are accounted for as exhaustible capital assets in the governmental or business-type activities column. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3-25 years
Structures and improvements	5-50 years
Infrastructure (except for the maintained road system)	20-75 years

The County has elected to use the modified approach to report its maintained road system. Under the modified approach depreciation is not reported for this system and all expenditures, except for betterments and major improvements, made to the system are expensed.

The County manages its maintained road system using the Metropolitan Transportation Commission's Pavement Management program (Program) and accounts for them using the modified approach. The Program establishes a Pavement Condition Index (PCI) on a scale from zero to one hundred (0-100) for each road segment being maintained by the Department of Public Works. The Program has defined the pavement of roads with PCIs of 40 or better to be in a "Fair" or better condition and roads with a PCI of 55 or better to be in a "Good" or better condition. The system-wide average PCI number for all paved or chip sealed roads in the County maintained road system is calculated on a weighted by section, road area basis. The amount that an individual road section's condition contributes to the overall system average rating is proportionate to the amount of the total systems surfaced area that the individual segment contains. It is the County's policy relative to maintaining the maintained road system to keep an average PCI rating of 62. This rating must be achieved over a three year period.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**J. Capital Assets (Continued)**

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

**K. Unearned Revenue/Deferred Revenue**

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue. In addition, loans receivable for which repayment is deferred or for which the balance may be forgiven if certain terms and conditions of the loans are met have also been offset by unearned revenue.

Deferred revenue is recorded under the modified accrual basis of accounting when revenue which has been earned during the current period has met the measurable criteria but has not met the available criteria.

See Note 3 for details of unearned/deferred revenues at year end.

**L. Long-Term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of certificates of participation, special assessment bonds with County commitment, loans, capital leases, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

**M. Compensated Absences**

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation or personal paid leave. An unlimited amount of sick leave may be accrued in accordance with each bargaining unit's MOU and, upon separation from County's service, will either be paid to employees or converted to PERS service credit. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**N. Fund Balances/Net Assets**

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted net assets are available, unrestricted resources are depleted first before the restricted resources are used.

In the governmental fund financial statements reserves and designations segregate portions of fund balance. Reservations of fund balance are for amounts that are not available or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance are established by action of management and represent tentative plans that are subject to change.

As of June 30, 2008, reservations of fund balance included:

Debt Service - to reflect the funds held for future payment on debt principal and interest.

Encumbrances - to reflect the outstanding contractual obligations for which goods and services have not been received.

Inventory - to reflect the portion of assets which represent inventory and do not represent available spendable resources.

Advances - to reflect the amount due from other funds that are long-term in nature. Such amounts do not represent available spendable resources.

Loans Receivable - to reflect the portion of loans receivable which is long-term in nature. Such amounts do not represent available spendable resources.

As of June 30, 2008, designations of fund balance included:

Designated for General - to reflect the funds the County has set aside to fund subsequent year expenditures and projects not yet approved.

Designated for Leave Liability - to reflect the funds the County has set aside to fund subsequent payment to retire compensated absences.

Designated for PERS Pension - to reflect funds the County has set aside to fund future PERS costs.

Designated for Special Projects - to reflect the funds the County has set aside to fund subsequent projects.

Designated for General Plan Update - to reflect the funds the County has set aside to fund the General Plan update.

Designated for Realignment - to reflect the funds the County has set aside to fund subsequent potential State expenditures.

Designated for COP Lease Payment - to reflect the funds the County has set aside to fund subsequent COP Lease payments.



**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**N. Fund Balances/Net Assets (Continued)**

Designated for Civil Litigation - to reflect the funds the County has set aside to fund subsequent civil litigation.

Designated for Technology - to reflect the funds the County has set aside to fund subsequent upgrades.

As of June 30, 2008, the County's designations are reported in the financial statements as follows:

	<u>General</u>
Designated for:	
General	\$ 5,277,000
Leave liability	1,650,000
PERS pension	1,000,000
Special projects	6,170,000
General plan update	600,000
Realignment	300,000
COP	43,000
Civil litigation	40,000
Technology	993,000
Total	<u>\$ 16,073,000</u>

**O. Property Tax**

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1 percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value, as defined by Article XIII A, and may be adjusted by no more than 2 percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1 percent tax levy among the County, cities, school districts, and other districts.

The County of Nevada is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction.

The County levies, bills, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Levy dates	January 1	January 1
Due dates	November 1 (1 <sup>st</sup> installment) February 1 (2 <sup>nd</sup> installment)	July 1
Delinquent dates	December 10 (1 <sup>st</sup> installment) April 10 (2 <sup>nd</sup> installment)	August 31

The County of Nevada apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan", as described by Section 4717 of the California Revenue and Taxation code. Under the Teeter Plan, the County Auditor-Controller, an elected official is authorized to pay 100 percent of the property taxes billed (secured, supplemental, and debt service) to the taxing agencies within the County. The County recognizes property tax revenues in the period for which the taxes are levied. Previously, such taxes were allocated and paid as the taxes were collected.

To fund the advances, the County borrowed from its pooled cash and investments. The advances are secured by delinquent taxes receivable and will be repaid as delinquencies plus penalties (10 percent) and interest (18 percent) are collected. As of June 30, 2008, the outstanding net borrowing totaled \$8,902,179 and was recorded as a reduction of cash in the General fund.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Grant Revenues**

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

**Q. Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Government Funds – By Character  
     Current (further classified by function)  
     Debt Service  
     Capital Outlay

Proprietary Funds – By Operating and Nonoperating

**R. Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Restatement of Fund Balance/Net Assets**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balance/net assets. During the current year the County analyzed one agency fund and determined that it would be more correctly classified as an enterprise fund. In addition, an adjustment to net assets was required to correct a prior year misstatement of capital assets. The capital assets adjustment in governmental activities was due to errors in the calculation of depreciation on structures and improvements in the manual depreciation schedules used in prior years and an adjustment to infrastructure cost and accumulated depreciation to remove assets with a cost below the capitalization threshold. The capital assets adjustment in business-type activities was to capitalize assets acquired in a prior year that had not previously been capitalized and record the accumulated depreciation on those assets.

The impact of the restatements on the net assets on the government-wide financial statements as previously reported is presented below:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Assets, June 30, 2007, as previously reported	\$ 293,895,613	\$ 18,423,356
Adjustment associated with:		
Reclassification of funds	-	52,264
Correction of capital assets	( 1,460,359)	1,937,377
Total Adjustments	( 1,460,359)	1,989,641
Net Assets, July 1, 2008, as restated	<u>\$ 292,435,254</u>	<u>\$ 20,412,997</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Restatement of Fund Balance/Net Assets (Continued)**

The impact of the restatements on the net assets on the fund financial statements as previously reported is presented below:

	Sanitation District
Net Assets, June 30, 2007, as previously reported	\$ 19,655,762
Adjustment associated with:	
Reclassification of funds	52,264
Correction of capital assets	<u>1,937,377</u>
Total Adjustments	<u>1,989,641</u>
Net Assets, July 1, 2008, as restated	<u>\$ 21,645,403</u>

**B. Deficit Fund Balance/Net Assets**

The following major enterprise fund had deficit net assets:

The Western Nevada County Solid Waste fund had a net asset deficit of \$5,433,876, due to the post closure liability of \$13,137,837. The County has established a pledge of revenues consisting of parcel charges to demonstrate financial responsibility for postclosure maintenance in accordance with California Code of Regulations.

The following internal service fund had deficit net assets:

The Central Services fund had a net asset deficit of \$10,965, which is expected to be eliminated through cost containment.

**C. Rebataable Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financing and at June 30, 2008, does not expect to incur a liability.

**D. Gann Spending Limitation**

Under Article XIII B of the California Constitution (the Gann Spending Limitation), the County is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

**E. Implementation of Governmental Accounting Standards Board Statements**

**GASB Statement No. 45**

For fiscal year ended June 30, 2008, the County has elected to early implement GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. This statement addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. These benefits are collectively referred to as other postemployment benefits (OPEB).

The GASB allows governments to apply this statement prospectively, establish the OPEB liability at zero at the beginning of the initial year of implementation, and does not require governments to fund the OPEB plans. The statement supersedes or amends all previous authoritative guidance on accounting and financial reporting for an employer's OPEB expense and related information.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**E. Implementation of Governmental Accounting Standards Board Statements (Continued)**

**GASB Statement No. 50**

The County implemented GASB Statement No. 50, Pension Disclosures. This statement, an amendment of GASB Statement No. 25 and No. 27, enhances the information disclosed in the notes to the financial statements or presented as required supplementary information (RSI). Statement No. 50 is intended to improve the transparency and decision usefulness of reported information about pensions by state and local governmental plans and employers, and conforms to the applicable changes adopted in Statement No. 45.

**NOTE 3: DETAILED NOTES**

**A. Cash and Investments**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the Board and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. All cash and investments with the exception of deposits with fiscal agents and investments with fiscal agents are considered a part of the investment pool.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The net assets value of involuntary participation in the investment pool totaled \$64,700,923 at June 30, 2008.

As of June 30, 2008, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 67,137,557
Investment trust fund	64,700,923
Agency funds	<u>2,375,343</u>
Total Cash and Investments	<u>\$ 134,213,823</u>

As of June 30, 2008, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 1,204,667
Deposits in Treasurer's Pool (less outstanding warrants)	8,093,423
Deposits with fiscal agents	<u>409,977</u>
Total Cash	<u>9,708,067</u>
Investments:	
In Treasurer's Pool	121,422,256
Investments with fiscal agents	<u>3,083,500</u>
Total Investments	<u>124,505,756</u>
Total Cash and Investments	<u>\$ 134,213,823</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

**Cash**

At year end, the carrying amount of the County's cash deposits (including amount in checking accounts, money market accounts and deposits with fiscal agents) was \$8,503,400 and the bank balance was \$18,813,227. The difference between the bank balance and the carrying amount represents outstanding warrants and deposits in transit.

**Custodial Credit Risk For Deposits** - Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$100,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$100,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation and the balance in excess of \$100,000 is fully collateralized.

**Investments**

As of June 30, 2008, the County had the following investments:

		Maturities				Weighted Average Maturity (Years)
	Interest Rates	0-1 year	1-5 years	Over 5 years	Fair Value	
Pooled Investments						
Commercial Paper	1.95-2.40%	\$ 19,963,650	\$ -	\$ -	\$ 19,963,650	0.01
Government Agency Securities	2.375-3.625%	-	57,458,606	-	57,458,606	2.11
Negotiable CD's	2.50%	10,000,000	-	-	10,000,000	0.52
Certificates of Deposit	2.43-3.06%	34,000,000	-	-	34,000,000	0.41
Total Pooled Investments		63,963,650	57,458,606	-	121,422,256	1.16
Investments Held by Fiscal Agents						
Corporate Notes	5.00%	-	-	945,000	945,000	5.76
IXIS	5.91%	2,138,500	-	-	2,138,500	-
Total Investments Held By Fiscal Agents		2,138,500	-	945,000	3,083,500	1.76
Total Investments		\$ 66,102,150	\$ 57,458,606	\$ 945,000	\$ 124,505,756	1.27

**Interest Rate Risk** - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the maturity of its investments to 5 years or less. Of the County's \$124,505,756 investment portfolio, over 99% of the investments have a maturity of one year or less. Of the remainder, less than 0.1% have a maturity of more than 5 years.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and County investment policy limit investments in commercial paper to the rating of A1 by Standards and poor's or P1 by Moody's Investors Service. State law also limits investments in corporate bonds to the rating of A by both Standards & Poor's and Moody's Investors Service. The County does not have credit limits on U.S. government securities or U.S. government agency securities. The County's investment policy does not further limit its investment choices.

<u>Investments at June 30, 2008</u>	<u>Standard &amp; Poor's Rating</u>	<u>% of Portfolio</u>
Commercial paper	A-1	12.02%
Commercial paper	A-1+	4.01%
Federal Farm Credit Bank	AAA	26.37%
Federal Home Loan Bank	AAA	15.81%
Federal Home Loan Mortgage	AAA	3.97%
Corporate notes	AA	0.76%
Negotiable CD's	Unrated	8.03%
Certificates of Deposit	Unrated	27.31%
IXIS	Unrated	1.72%
Total		<u>100%</u>

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law restricts the County's investments in commercial paper to 40% of its investment pool and to 10% per issuer and corporate notes and negotiable certificates of deposit to 30% of its investment pool and to 10% per issuer. Approximately 73% of the County's investments at year-end are in U.S. Government Agency securities and certificates of deposit. There is no limitation on amounts invested in these types of issues.

**County Investment Pool Condensed Financial Information**

A condensed statement of net assets and changes in net assets for the investment pool as of and for the year ended June 30, 2008 follows:

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total Pool</u>
<b>Statement of Net Assets</b>			
Cash on hand	\$ 1,204,667	\$ -	\$ 1,204,667
Deposits (Less outstanding warrants)	8,093,423	-	8,093,423
Investments	56,721,333	64,700,923	121,422,256
Other assets	-	519,800	519,800
Other liabilities	-	( 137,370)	( 137,370)
Net Assets at June 30, 2008	<u>\$ 66,019,423</u>	<u>\$ 65,083,353</u>	<u>\$ 131,102,776</u>
<b>Statement of Changes in Net Assets</b>			
Net assets at July 1, 2007	\$ 72,178,263	\$ 65,658,677	\$ 137,836,940
Net changes in investments by pool participants	( 6,158,840)	( 575,324)	( 6,734,164)
Net Assets at June 30, 2008	<u>\$ 66,019,423</u>	<u>\$ 65,083,353</u>	<u>\$ 131,102,776</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**B. Restricted Cash and Investments**

The County reflects cash and investments held for certificates of participation as restricted cash of \$2,138,574, in non-major governmental funds, cash and investments held for certificates of participation as restricted cash of \$1,006,887 in the Western Nevada County Solid Waste major enterprise fund and cash held for payment of retention on the Lake Wildwood treatment plant project as restricted cash of \$25,000 in the Sanitation District major enterprise fund.

In addition the Agency funds reflect cash and investments held for various restricted purposes as restricted cash of \$323,016.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2008, was as follows:

	Balance July 1, 2007	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2008
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land and easements	\$ 101,579,438	\$ 17,360	\$ -	\$ -	\$ 101,596,798
Infrastructure (maintained road system)	100,965,723	647,990	-	( 2,200,310)	99,413,403
Construction in progress	1,484,577	1,072,099	-	( 835,530)	1,721,146
Total Capital Assets, Not Being Depreciated	204,029,738	1,737,449	-	( 3,035,840)	202,731,347
Capital Assets, Being Depreciated:					
Infrastructure	29,038,996	769,227	( 185,090)	( 93,021)	29,530,112
Structures and Improvements	50,041,637	97,230	( 976,343)	20,510	49,183,034
Equipment	15,462,419	2,524,541	( 1,678,620)	-	16,308,340
Total Capital Assets, Being Depreciated	94,543,052	3,390,998	( 2,840,053)	( 72,511)	95,021,486
Less Accumulated Depreciation For:					
Infrastructure	( 11,772,525)	( 465,539)	86,191	181,545	( 11,970,328)
Structures and Improvements	( 17,283,633)	( 955,033)	435,198	1,466,447	( 16,337,021)
Equipment	( 11,573,930)	( 1,141,381)	1,617,628	-	( 11,097,683)
Total Accumulated Depreciation	( 40,630,088)	( 2,561,953)	2,139,017	1,647,992	( 39,405,032)
Total Capital Assets, Being Depreciated, Net	53,912,964	829,045	( 701,036)	1,575,481	55,616,454
Governmental Activities Capital Assets, Net	\$ 257,942,702	\$ 2,566,494	(\$ 701,036)	(\$ 1,460,359)	\$ 258,347,801
<b>Business-Type Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,593,251	\$ -	\$ -	\$ -	\$ 3,593,251
Construction in progress	22,289,452	16,547,459	-	( 584,122)	38,252,789
Total Capital Assets, Not Being Depreciated	25,882,703	16,547,459	-	( 584,122)	41,846,040
Capital Assets, Being Depreciated:					
Infrastructure	22,932,957	-	-	4,939,622	27,872,579
Structures and Improvements	3,192,941	118,258	-	-	3,311,199
Equipment	3,725,802	750,022	( 260,533)	-	4,215,291
Total Capital Assets, Being Depreciated	29,851,700	868,280	( 260,533)	4,939,622	35,399,069
Less Accumulated Depreciation For:					
Infrastructure	( 11,843,259)	( 789,662)	-	( 3,002,245)	( 15,635,166)
Structures and Improvements	( 1,332,025)	( 149,515)	-	-	( 1,481,540)
Equipment	( 2,577,346)	( 400,239)	256,257	-	( 2,721,328)
Total Accumulated Depreciation	( 15,752,630)	( 1,339,416)	256,257	( 3,002,245)	( 19,838,034)
Total Capital Assets, Being Depreciated, Net	14,099,070	( 471,136)	( 4,276)	1,937,377	15,561,035
Business-type Activities Capital Assets, Net	\$ 39,981,773	\$ 16,076,323	(\$ 4,276)	\$ 1,353,255	\$ 57,407,075

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**C. Capital Assets (Continued)**

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 411,373
Public Ways and facilities	791,332
Public Protection	722,124
Health and sanitation	93,727
Public assistance	56,170
Education	<u>63,841</u>
Subtotal Governmental funds	2,138,567
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	<u>423,386</u>
Total Depreciation Expense – Governmental Functions	<u><u>\$ 2,561,953</u></u>

Depreciation expense was charged to business-type functions as follows:

Western Nevada County Solid Waste	169,960
Airport	297,650
Transit	214,039
Sanitation District	<u>657,767</u>
Total Depreciation Expense - Business-Type Functions	<u><u>\$ 1,339,416</u></u>

**Construction in Progress**

Construction in progress for governmental activities related primarily to work performed on Allison Ranch Road, Dog Bar Road, Magnolia Road, Brunswick Road, Duggans Road, Rough and Ready Highway, Washington Road, Wolf Road, Hirschdale Bridges, Maybert Bridge, Floriston bridge replacement, Purdon bridge replacement, Stinson Road culvert #2, Gold Country Drive drainage, and Alta Street sidewalk. Construction in progress for the business-type activities related primarily to work performed on Cascade Shores treatment facility upgrade, Lake Wildwood wastewater treatment plant upgrade, Lake of the Pines wastewater treatment plant upgrade, Penn Valley treatment facility upgrade, airport structure, MRTS redesign, and NSJ expansion project.

**Impairment Loss**

During the current year, the Sanitation District major enterprise fund recorded an asset impairment loss of \$584,122 for the Cascade Shores Wastewater Treatment Plant. The impairment is due to a change in the facility construction. Due to increasing costs the facility design that had been capitalized as construction in progress was scrapped and a prefab structure has replaced it.



**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**D. Unearned/Deferred Revenue**

At June 30, 2008, the components of deferred revenue and of unearned revenue reported were as follows:

	<u>Deferred</u>	<u>Unearned</u>	<u>Total</u>
General Fund			
State, Federal and other agency grant revenue receivable	\$ 552,847	\$ -	\$ 552,847
State mandated costs receivable	69,514	-	69,514
Federal contract revenue receivable	187,670	-	187,670
Road Fund			
Federal grant revenue receivable	187,764	-	187,764
Grantor drawdowns prior to meeting all eligibility requirements	-	110,227	110,227
Community Development Agency			
Building inspection fees	-	169,943	169,943
Plan/Site review fees	-	86,239	86,239
Plan/Site review fees receivable	48,426	-	48,426
Environmental health fees receivable	27,472	-	27,472
Other agency grant revenue receivable	10,119	-	10,119
Human Services Agency			
State and other agency grant revenue receivable	322,572	-	322,572
Advances from California Department of Social Services	-	303,800	303,800
Non Major Governmental Funds			
State grant revenue receivable	61,089	-	61,089
Federal grant revenue receivable	237,480	-	237,480
Airport			
Tiedown and hangar payments	-	24,877	24,877
Non Major Enterprise Funds			
N.V. County Transportation Commission allocation	-	1,695,897	1,695,897
Internal Service Funds			
Fleet vehicle maintenance charges	-	230,234	230,234
Total	<u>\$ 1,704,953</u>	<u>\$ 2,621,217</u>	<u>\$ 4,326,170</u>

**E. Long-Term Liabilities**

The following is a summary of all long-term liabilities transactions for the year ended June 30, 2008:

	<u>Balance July 1, 2007</u>	<u>Additions/ Adjustments</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Certificates of Participation	\$ 14,730,000	\$ -	\$ 880,000	\$ 13,850,000	\$ 910,000
Special Assessment Bonds with County Commitment	329,908	-	9,908	320,000	10,000
Loans	3,893,757	-	141,503	3,752,254	150,700
Accrued claims liability (Note 6)	689,198	1,225,799	1,073,806	841,191	841,191
Capital Lease (Note 3F)	33,577	32,750	17,949	48,378	18,617
Compensated Absences (Note 1M)	4,460,030	5,295,335	4,619,070	5,136,295	5,136,295
Net OPEB Obligation (Note 5)	-	4,002,000	2,062,000	1,940,000	-
<b>Total Governmental Activities</b>	<u>\$ 24,136,470</u>	<u>\$ 10,555,884</u>	<u>\$ 8,804,236</u>	<u>\$ 25,888,118</u>	<u>\$ 7,066,803</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

	Balance July 1, 2007	Additions/ Adjustments	Retirements	Balance June 30, 2008	Amounts Due Within One Year
<b>Business-Type Activities</b>					
Certificates of Participation	\$ 9,165,000	\$ -	\$ 490,000	\$ 8,675,000	\$ 505,000
Less: bond issue costs	( 381,725)	25,590	-	( 356,135)	( 25,590)
Less: deferred reacquisition costs	( 567,156)	37,810	-	( 529,346)	( 37,810)
Certificates of Participation, Net	8,216,119	63,400	490,000	7,789,519	441,600
Special Assessment Bonds with County Commitment	234,000	-	62,000	172,000	72,000
Loans	23,953,580	20,325,196	9,551,664	34,727,112	1,488,981
Less: Unamortized Discount	( 579,882)	( 2,523,888)	-	( 3,103,770)	-
Loans, Net	23,373,698	17,801,308	9,551,664	31,623,342	1,488,981
Closure/Post-Closure (Note 3G)	13,514,659	348,395	611,148	13,251,906	2,462,083
Compensated Absences (Note 1M)	252,272	379,458	312,660	319,070	319,070
<b>Total Business-type Activities</b>	<b>\$ 45,590,748</b>	<b>\$ 18,592,561</b>	<b>\$ 11,027,472</b>	<b>\$ 53,155,837</b>	<b>\$ 4,783,734</b>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Estimated claims are liquidated by charges for services collected through individual internal service funds. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

Special assessment bonds with County commitment are not a direct responsibility of the County. Principal and interest payments are funded from the collection of special assessments. For the governmental activities, the debt is accounted for in the Special Assessment Debt with County Commitment Component Unit debt service fund. For the business-type activities, the debt is accounted for in the Sanitation District component unit enterprise fund. The County is obligated for special assessment debt only to the extent of special assessments collected.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
At June 30, 2008, Certificates of Participation consisted of the following:		
2002 Issue Certificates of Participation, issued in the amount of \$21,385,000 and payable in annual installments of \$880,000 to \$1,660,000, with an interest rate of 4.05% to 5.25% and maturity date of June 30, 2020. These bonds were used to defease 1991 and 1993 Certificates of Participation financing the acquisition and construction of the County Administration building and the County jail.	\$ 13,850,000	\$ -
2002 Refunding of 1991 Certificates of Participation, issued in the amount of \$11,415,000, and payable in annual installments of \$475,000 to \$900,000 with an interest rate of 2.30% to 5.00% and maturity of June 30, 2021. These bonds were used to refund the 1991 Certificates of Participation which were used for landfill closure costs.	-	8,675,000
<b>Total Certificates of Participation</b>	<b>\$ 13,850,000</b>	<b>\$ 8,675,000</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
At June 30, 2008, Special Assessment Bonds with County Commitment consisted of the following:		
County Service Area 22 Assessment District Limited Obligation Improvement Bonds, issued in the amount of \$329,908 and payable in annual installments of \$9,908 to \$25,000 with an interest rate of 5.25% to 5.50% and maturity of September 2, 2026. Bond proceeds were used for the construction of improvements.	\$ 320,000	\$ -
USDA Rural Development Bond - North San Juan, issued in the amount of \$76,130 and payable in annual installments of \$1,000 to \$3,000 with an interest rate of 5.00% and maturity of September 2, 2018. Bond proceeds were used to construct improvements in the North San Juan Sewer Assessment District.	-	27,000
USDA Rural Development Bond - Penn Valley, issued in the amount of \$1,264,703 and payable in semi-annual installments of \$35,000 to \$75,000 and maturity of September 2, 2009. Bond proceeds were used for the construction of a wastewater collection, treatment, and disposal system in the Penn Valley Sewer Assessment District.	-	145,000
Total Special Assessment Bonds	<u>\$ 320,000</u>	<u>\$ 172,000</u>

At June 30, 2008, Loans consisted of the following:

Crown Point Building Loan, issued in the amount of \$3,210,000 and payable in annual installments of \$52,000 to \$120,000, with an interest rate of 4.75 to 8.00% and maturity of November 1, 2025. Loan proceeds were used to finance the acquisition of the Crown Point building to house County health programs.	\$ 2,940,949	-
Laura Wilcox Building Loan, issued in the amount of \$880,000 and payable in annual installments of \$13,400 to \$34,200 with an interest rate of 4.99% and maturity of August 31, 2025. Loan proceeds were used to finance the acquisition of the Laura Wilcox building to house County children's programs.	811,305	-
California Airport Loan, issued in the amount of \$360,000 and payable in annual installments of \$17,215 to \$30,519 with an interest rate of 4.28% and maturity of July 26, 2017. Loan proceeds were used to finance the construction of an above ground aircraft fuel storage and dispensing system.	-	226,488
California Airport Loan, issued in the amount of \$258,500 and payable in annual installments of \$16,600 to \$24,701 with an interest rate of 6.06% and maturity of September 21, 2011. Loan proceeds were used to finance airport improvements.	-	64,913
SWRCB Revolving Loan, issued in the amount of \$170,367 and payable in annual installments of \$8,445 to \$11,116 with an interest rate of 3.10% and maturity of January 22, 2016. Loan proceeds were used to finance modifications to the Cascade Shores Wastewater collection system with upgrade and modification to the existing lift station.	-	80,109
LaSalle Bank National Association loan, issued in the amount of \$8,000,000 and payable in one installment of \$8,000,000 with an interest rate of 4.48% and maturity of August 1, 2009. Loan proceeds were used for interim financing for the acquisition and construction of improvements to the Lake of the Pines Zone 2 wastewater system.	-	2,500,000
LaSalle Bank National Association loan, issued in the amount of \$8,500,000 and payable in one installment of \$8,500,000, with an interest rate of 4.48% and maturity of August 1, 2009. Loan proceeds were used for interim financing for the acquisition and construction of improvements to the Lake Wildwood Zone 1 wastewater system.	-	1,000,000

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
At June 30, 2008, Loans consisted of the following: (Continued)		
State Water Resources Control Board loan, issued in the amount of \$12,122,824 plus accrued interest of \$110,523 and payable in annual installments of \$492,213 to \$739,310, with an interest rate of 2.2% and maturity on November 23, 2027. Loan proceeds were used for the acquisition and construction of improvements to the Lake Wildwood Zone 1 wastewater system.	-	12,233,347
State Water Resources Control Board loan, issued in the amount of \$18,964,071 and payable in annual installments of \$948,204, with an interest rate of 0.0% and maturity on January 12, 2028. Loan proceeds were used for the acquisition and construction of improvements to the Lake of the Pines Zone 2 wastewater system. The loan includes a loan discount of \$3,160,742. Loan proceeds are being drawdown as the project is constructed. At June 30, 2008, \$18,622,255 of the loan had been drawdown and a loan discount of \$3,103,770 had been incurred.	-	18,622,255
<b>Total Loans</b>	<b>\$ 3,752,254</b>	<b>\$ 34,727,112</b>

The annual aggregate maturities for the years subsequent to June 30, 2008, are as follows:

**Certificates of Participation**

<u>Year Ended June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$ 910,000	\$ 618,904	\$ 505,000	\$ 403,434	\$ 2,437,338
2010	940,000	584,785	530,000	384,244	2,439,029
2011	980,000	547,560	545,000	363,044	2,435,604
2012	1,010,000	507,760	575,000	341,244	2,434,004
2013	1,055,000	465,801	595,000	317,094	2,432,895
2014-2018	6,025,000	1,526,244	3,415,000	1,138,388	12,104,632
2019-2023	2,930,000	160,913	2,510,000	256,750	5,857,663
<b>Total</b>	<b>\$ 13,850,000</b>	<b>\$ 4,411,967</b>	<b>\$ 8,675,000</b>	<b>\$ 3,204,198</b>	<b>\$ 30,141,165</b>

**Special Assessment Bonds with County Commitment**

<u>Year Ended June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$ 10,000	\$ 17,050	\$ 72,000	\$ 9,110	\$ 108,160
2010	11,000	16,499	77,000	3,863	108,362
2011	11,000	15,921	2,000	1,100	30,021
2012	12,000	15,318	2,000	1,000	30,318
2013	13,000	14,661	2,000	900	30,561
2014-2018	74,000	62,288	14,000	2,600	152,888
2019-2023	95,000	39,463	3,000	75	137,538
2024-2028	94,000	10,615	-	-	104,615
<b>Total</b>	<b>\$ 320,000</b>	<b>\$ 191,815</b>	<b>\$ 172,000</b>	<b>\$ 18,648</b>	<b>\$ 702,463</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

**Loans**

Year Ended June 30	Governmental Activities		Business-Type Activities			Total
	Principal	Interest	Principal	Interest	Service Charge	
2009	\$ 150,700	\$ 187,010	\$ 1,488,981	\$ 301,573	\$ 118,826	\$ 2,247,090
2010	160,501	177,208	4,992,195	232,670	117,326	5,679,900
2011	170,948	166,762	1,496,777	145,450	112,285	2,092,222
2012	170,564	155,626	1,492,992	136,922	107,133	2,063,237
2013	167,797	146,875	1,506,126	129,205	101,868	2,051,871
2014-2018	969,529	603,830	7,666,259	524,069	426,220	10,189,907
2019-2023	1,229,184	344,175	7,859,149	331,312	276,093	10,039,913
2024-2028	733,031	53,650	8,224,633	130,451	108,709	9,250,474
Total	<u>\$ 3,752,254</u>	<u>\$ 1,835,136</u>	<u>\$ 34,727,112</u>	<u>\$ 1,931,652</u>	<u>\$ 1,368,460</u>	<u>\$ 43,614,614</u>

**F. Leases**

**Operating Leases**

The County leases office buildings and equipment under non-cancellable operating leases. Total costs for these leases was \$799,703 for the year ended June 30, 2008. The future minimum lease payments are as follows:

Year Ended June 30	Lease Obligations
2009	\$ 267,007
2010	260,459
2011	259,385
2012	273,866
2013	281,948
Total	<u>\$ 1,342,665</u>

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met.

	Stated Interest Rate	Present Value Of remaining Payments at June 30, 2008
Governmental activities	5.90% - 11.91%	\$ 48,378
Total		<u>\$ 48,378</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	Governmental Activities
Equipment	\$ 87,322
Less: Accumulated depreciation	( 28,534)
Net Value	<u>\$ 58,788</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**F. Leases (Continued)**

As of June 30, 2008, capital lease annual amortization is as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Governmental</u> <u>Activities</u>
2009	\$ 21,466
2010	15,821
2011	14,733
2012	1,548
Total Requirements	53,568
Less Interest	( 5,190)
Present Value of Remaining Payments	<u>\$ 48,378</u>

**G. Closure/Post Closure**

The County is responsible for one closed and one inactive solid waste landfill site. State and federal laws and regulations require the County to place a final cover on its landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. GASB Statement No. 18 requires a portion of these closure and postclosure care costs be reported as an operating expense in each period based on landfill capacity used as of each statement of net assets date. Since the landfills are no longer accepting waste, the entire estimated expense and liability have been reported.

As of June 30, 2008, the County's estimated remaining liability for post closure maintenance costs for the closed landfill was \$13,137,837. The estimated remaining liability for closure of the inactive landfill was zero with \$114,069 estimated for postclosure maintenance. These estimates are based on the amount that would be paid if all equipment, facilities, and services required to close and/or monitor the landfills were acquired as of June 30, 2008. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

The County is required by the California Code of Regulations to demonstrate financial responsibility for post closure maintenance costs through a pledge of revenues. The County has met this requirement for the closed landfill through a pledge of annual parcel charges. A pledge of the remaining fund balance for the inactive landfill is pending approval by the California Integrated Waste Management Board.

**H. Interfund Transactions**

**Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2008:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General fund	\$ 2,411,448	\$ 405,336
Road fund	251,672	127,204
Community Development Agency	304,999	54,135
Human Services Agency	1,551,996	447,328
Health and Welfare Realignment	21,211	935,207
Nonmajor Governmental funds	835,591	3,566,518
Western Nevada County Solid Waste	37,426	136,021
Airport	33,504	540
Sanitation District	1,519,772	1,525,949
Nonmajor Enterprise funds	6,163	63,636
Internal Service Funds	488,205	200,113
Total	<u>\$ 7,461,987</u>	<u>\$ 7,461,987</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 3: DETAILED NOTES (CONTINUED)**

**H. Interfund Transactions (Continued)**

**Advances To/From Other Funds**

Advances to/from other funds are non-current interfund loans and are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriations and are not expendable available financial resources. The following are advances to/from other funds as of June 30, 2008:

	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
General fund	\$ 97,000	\$ -
Nonmajor Governmental funds	219,739	219,739
Airport	-	93,000
Sanitation District	-	4,000
Total	<u>\$ 316,739</u>	<u>\$ 316,739</u>

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various County operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2008:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 8,177,686	\$ 8,408,933
Road fund	4,438,921	-
Community Development Agency	2,443,740	262,423
Human Services Agency	9,100,757	3,883
Health and Welfare Realignment	127,268	8,296,826
Nonmajor Governmental funds	5,105,931	13,111,085
Western Nevada County Solid Waste	16,246	-
Airport	29,908	-
Sanitation District	614,211	-
Internal Service funds	44,728	16,246
Total	<u>\$ 30,099,396</u>	<u>\$ 30,099,396</u>

**NOTE 4: EMPLOYEES' RETIREMENT PLAN**

**Plan Description**

The County contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 P Street, Sacramento, CA 95814.

**Funding Policy**

Miscellaneous plan members are required to contribute 8 percent of their annual covered salary. Safety plan members are required to contribute 9 percent of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The County has committed to contribute a portion of the required employee contribution in addition to their own required contributions. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2007/2008 was 18.198 percent for miscellaneous employees and 31.458 percent for safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The County is required to contribute the remaining amounts necessary to fund the benefits of its members using the actuarial basis adopted by the PERS Board of Administrators.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 4: EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**Annual Pension Cost**

For fiscal year 2007/2008, the County's annual pension cost of \$8,351,103 for the miscellaneous plan and \$1,557,114 for the safety plan was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent for miscellaneous plan and 3.25 percent to 14.45 percent for safety plan, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.00 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a three-year period (smoothed market value). Pers unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20 year period. The table below presents three-year trend information.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2006	\$ 6,171,136	100%	-
June 30, 2007	8,729,365	100%	-
June 30, 2008	9,908,217	100%	-

**Funded Status and Funding Progress**

As of June 30, 2007, the most recent actuarial valuation date, the miscellaneous plan was 79.8 percent funded. The actuarial accrued liability for benefits was \$248,063,046, and the actuarial value of assets was \$197,968,605, resulting in an unfunded actuarial accrued liability (UAAL) of \$50,094,441. The covered payroll (annual payroll of active employees covered by the plan) was \$45,650,537, and the ratio of the UAAL to the covered payroll was 109.7 percent.

Since the safety plan has less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool and does not present individual plan funded status.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 5: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description**

The County of Nevada provides, under a defined benefit plan, retiree healthcare benefits to qualifying employees retiring directly from the County. The benefit level is determined by date of hire and length of service. The County has contracted for medical coverage to be provided through an agent multiple-employer CalPERS Healthcare (PEHMCA) plan.

The County pays the least expensive available plan single premium up to Medicare eligible age for retirees with more than 20 years of County Service. For employees hired before July 1, 2000, with less than 20 years of County service at retirement, receive a fixed stipend amount. After reaching Medicare eligible age, the County also pays 80% of the least expensive Medicare supplemental plan single premium for all retirees hired before July 1, 2000 and for employees hired after July 1, 2000 with 20 years of County service. For safety employees with disability retirement, the County pays 100% of the least expensive medical single premium for life.

Employees Hired On or After July 1, 2008—Employees hired on or after July 1, 2008, and who retire from the County, the County will continue to provide access to medical insurance coverage for those employees who retire from employment with the County and who constitute "annuitants" as defined by the Public Employees Medical and Hospital Care Act (PEMHCA) only.



**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 5: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Funding Policy**

The minimum employer contribution requirement is a per participant amount contributed by the County and which is established and amended by the plan administrators, the CalPERS Board of Trustees, for the PEHMA plan. The fixed stipend amount is a negotiated benefit between the County and the various employee bargaining groups. The County has adopted a 5-year phase-in funding plan for the Annual Required Contribution (ARC). The actuarially determined ARC amount represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The 2007-08 contribution equals 5% of annual covered payroll and is equal to the pay-as-you-go cost plus 20% between the full pre-funding ARC and the pay-as-you-go. The second year will be 40% of the difference and each proceeding year increasing equally to reach the 100% full funding after 5 years. The County has established an irrevocable trust with CalPERS- California Employers' Retiree Benefit Trust Fund (CERBT) to deposit the contributions above the current year pay-as-you-go portion.

**Annual OPEB Cost**

The County's OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess). (The following table shows the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the resulting net OPEB obligation.)

Annual required contribution	\$ 4,002,000
Contributions made:	
Pay as you go contribution	1,462,000
Funding of full ARC Contribution	<u>600,000</u>
Net OPEB Obligation	<u>\$ 1,940,000</u>

The County annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2008, was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	\$ 4,002,000	51.5%	\$1,940,000

The quantifications of costs set forth above should not be interpreted in any way as vesting such benefits; rather the disclosures are made solely to comply with the County's reporting obligations under GASB 45, as the County understands these obligations.

**Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ 35,208,000
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 35,208,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	<u>\$ 41,158,000</u>
UAAL as a percentage of covered payroll	85.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents the initial information for this transition year. In subsequent years, the RSI schedule will present multi-year trend information that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 5: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuations and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2006, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.25% investment return (net of investment expenses), and annual healthcare cost trends for HMO and PPO that start with 10.4% and 11.3%, respectively, and declines to 4.5% over ten years for both plan types. The actuarial assumptions included an annual 3.0% inflation rate and a 3.25% per annum aggregate payroll increases.

**NOTE 6: RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (Internal Service Funds) to account for and finance self-insured risks of loss for public liability, unemployment, dental, and vision. The County is a member of the California State Association of Counties of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for Counties. Should actual loss among participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess.

The County is a member of the County Supervisors Association of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for Counties. The Authority is solvent. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$100,000 for each general liability claim, and \$10,000 for each unemployment claim.

Should actual loss among participants be greater than anticipated, the County will be assessed its prorata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its prorata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Actual claims unpaid as of June 30, 2008, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2008, was as follows:

Unemployment	\$ 338,191
Liability	<u>503,000</u>
<b>Total</b>	<b><u>\$ 841,191</u></b>

All funds of the County participate in the program and make payments to the Risk Management Funds based on estimates of the amounts needed to pay prior and current year claims. At June 30, 2008, the Risk Management Fund's fund equity was \$2,099,672. The claims liability of \$841,191 reported in the funds at June 30, 2008, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably determined.

Changes in the County's claims liability amount for the fiscal years 2006, 2007, and 2008 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2006	\$ 954,908	\$ 1,331,465	\$ 1,520,828	\$ 765,545
2007	765,545	892,301	968,648	689,198
2008	689,198	1,225,799	1,073,806	841,191

The ultimate settlement of specific claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 7: OTHER INFORMATION**

**A. Construction Commitments**

The County had active construction projects as of June 30, 2008, including improvements to the Wayne Brown Correctional Facility, road safety improvements and storm damage repair, bridge replacement and rehabilitation and upgrades to existing wastewater treatment plants to comply with new regulatory requirements. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
County facility improvements	\$ -	\$ 73,150
Road infrastructure	438,197	644,687
Bridge replacement and rehabilitation	571,131	1,228,538
Wastewater treatment facility upgrades	32,012,144	9,545,879

The wastewater treatment projects are financed with long-term debt to be repaid from special assessments.

**B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County is involved in several lawsuits. Due to the nature of the cases, County Counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

**C. Subsequent Events**

As of June 30, 2008, the County's investment pool included some investments for which the fair value may have declined since the June 30<sup>th</sup> value listed in these financial statements. Any decrease in fair market value will be reflected as a reduction in investment earnings as realized. The amount of this decrease is not expected to exceed investment earnings in any period.

**D. Joint Agencies**

The CSAC Excess Insurance Authority is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty member counties. There is no significant financial interest or ongoing financial responsibility on the part of the County with this Authority.

Complete audited financial statements for CSAC Excess Insurance Authority can be obtained from the Authority's office at 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

**E. New Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has released the following new standards:

Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, issued in November 2006. This Statement establishes accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The Statement establishes once any of five specified obligating events occurs, that a government is required to estimate the components of the expected pollution remediation outlays and determine whether the outlays for those components should be recorded as a liability or, if appropriate, capitalized when goods and services are acquired. GASB Statement No. 49 is effective for financial statements for years beginning after December 15, 2007.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**NOTE 7: OTHER INFORMATION (CONTINUED)**

**E. New Accounting Pronouncements (Continued)**

Statement No. 51, Accounting and Financial Reporting for Intangible Assets requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. GASB Statement No. 51 is effective for financial statements for years beginning after June 15, 2009.

Statement No. 52, Land and Other Real Estate Held as Investments by Endowments improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. GASB Statement No. 52 is effective for financial statements for years beginning after June 15, 2008.

Statement No. 53, Accounting and Financial Reporting for Derivative Instruments addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts and futures contracts. GASB Statement No. 53 is effective for financial statements for years beginning after June 15, 2009.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

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**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**1. SCHEDULE OF FUNDING PROGRESS - PENSION**

Miscellaneous Plan:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Value		
June 30, 2005	\$ 199,902,829	\$ 161,848,134	\$ 38,054,695	81.0%	83.2%	\$ 42,832,755	88.8%
June 30, 2006	219,324,147	177,539,454	41,784,693	80.9%	85.8%	45,425,702	92.0%
June 30, 2007	248,063,046	197,968,605	50,094,441	79.8%	92.3%	45,650,537	109.7%

**2. SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
June 30, 2006	\$ -	\$ 35,208,000	\$ 35,208,000	\$ -	\$ 41,158,000	85.5 %

See accompanying note to the required supplementary information.

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 39,006,000	\$ 39,006,000	\$ 37,998,736	\$ (1,007,264)
Licenses and permits	938,700	938,700	1,109,512	170,812
Fines and forfeitures	2,067,568	2,067,568	2,459,742	392,174
Use of money and property	1,005,614	1,110,967	1,352,702	241,735
Intergovernmental	2,806,390	5,264,690	4,521,081	(743,609)
Charges for services	6,856,221	6,881,686	6,993,841	112,155
Other revenues	1,151,686	1,203,353	1,278,075	74,722
<b>Total Revenues</b>	<b>53,832,179</b>	<b>56,472,964</b>	<b>55,713,689</b>	<b>(759,275)</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
Board of supervisors	1,088,540	1,079,891	1,037,341	42,550
Annual audit	23,283	23,281	22,670	611
County executive officer	1,236,304	1,279,774	1,277,746	2,028
Assessor	2,580,671	2,700,195	2,688,057	12,138
Auditor-controller	1,299,391	1,303,579	1,303,044	535
Treasurer-tax collector	1,099,558	1,137,956	1,097,665	40,291
Purchasing	215,927	201,997	211,941	(9,944)
Collections	182,201	180,030	178,811	1,219
Uses and sources	(3,533,985)	(5,969,632)	(7,433,925)	1,464,293
Trial court funding	1,277,836	1,328,780	1,328,780	-
Provision for contingencies	100,000	37,034	-	37,034
Building debt financing	16,069	16,049	16,049	-
County counsel	961,652	959,648	929,098	30,550
Personnel services	814,407	999,015	962,848	36,167
Elections	1,052,271	2,757,463	2,756,333	1,130
Facilities management	2,644,397	2,630,963	2,451,091	179,872
Capital facility projects	120,210	564,069	436,763	127,306
Economic development	221,292	305,349	155,940	149,409
Assessment appeals board	4,345	4,340	3,445	895
Insurance	68,789	68,789	88,400	(19,611)
Historical landmarks	386	386	71	315
Information systems	1,466,616	1,889,271	1,837,934	51,337
Geographic information	356,201	332,726	330,222	2,504
Surveying	268,814	244,455	216,261	28,194
Cable TV services	35,483	33,903	34,878	(975)
<b>Total General Government</b>	<b>13,600,658</b>	<b>14,109,311</b>	<b>11,931,463</b>	<b>2,177,848</b>
Public protection:				
Court security	759,509	780,466	775,366	5,100
Grand jury	105,825	105,806	87,026	18,780
District attorney	3,216,615	3,519,478	3,478,208	41,270
Public defender services	1,800,407	1,846,704	1,856,882	(10,178)
Conflict indigent defense	461,216	514,295	514,709	(414)
Sheriff administrative support services	12,595,156	13,260,759	13,163,479	97,280
Department of corrections	8,246,222	8,674,689	8,617,108	57,581
Inmate medical services	1,481,808	1,481,808	1,454,566	27,242
<b>Subtotal Public Protection</b>	<b>28,666,758</b>	<b>30,184,005</b>	<b>29,947,344</b>	<b>236,661</b>

Continued (Page 1 of 3)

See accompanying note to the required supplementary information.



**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
Public protection (continued):				
Sheriff Truckee operations	2,041,786	2,024,782	2,019,980	4,802
Juvenile hall	2,250,793	2,510,711	2,495,725	14,986
Probation department	3,438,757	3,506,224	3,380,552	125,672
Ag services	472,545	535,999	522,970	13,029
Weights and measures	107,890	113,683	106,066	7,617
Clerk recorder	600,914	598,713	490,097	108,616
Emergency services	442,690	589,809	480,662	109,147
Animal control	879,878	854,901	838,544	16,357
<b>Total Public Protection</b>	<b>38,902,011</b>	<b>40,918,827</b>	<b>40,281,940</b>	<b>636,887</b>
Public assistance:				
Community services	81,846	95,195	65,666	29,529
Victim witness	221,596	223,016	260,936	(37,920)
<b>Total Public Assistance</b>	<b>303,442</b>	<b>318,211</b>	<b>326,602</b>	<b>(8,391)</b>
Education:				
Farm advisor	108,603	110,263	109,691	572
Forest reserves	46,967	-	-	-
<b>Total Education</b>	<b>155,570</b>	<b>110,263</b>	<b>109,691</b>	<b>572</b>
Debt service:				
Sheriff administrative support services	15,526	16,846	15,271	1,575
<b>Total Debt Service</b>	<b>15,526</b>	<b>16,846</b>	<b>15,271</b>	<b>1,575</b>
Capital outlay:				
Elections	30,000	101,887	101,887	-
Facilities management	-	6,672	6,670	2
Capital facilities projects	-	84,980	97,230	(12,250)
Information systems	-	74,765	74,271	494
Geographic information	-	22,019	21,166	853
Sheriff administrative support services	74,261	166,205	198,914	(32,709)
Department of corrections	148,903	106,396	72,547	33,849
Sheriff Truckee operations	16,100	11,919	11,919	-
Probation	-	23,316	23,266	50
Recorder	-	13,000	10,798	2,202
Emergency management	-	258,510	258,510	-
<b>Total Capital Outlay</b>	<b>269,264</b>	<b>869,669</b>	<b>877,178</b>	<b>(7,509)</b>
<b>Total Expenditures</b>	<b>53,246,471</b>	<b>56,343,127</b>	<b>53,542,145</b>	<b>2,800,982</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>585,708</b>	<b>129,837</b>	<b>2,171,544</b>	<b>2,041,707</b>

See accompanying note to the required supplementary information.

Continued (Page 2 of 3)

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	8,644,021	9,502,738	8,177,686	(1,325,052)
Transfers out	(7,799,727)	(8,611,107)	(8,408,933)	202,174
Issuance of debt	-	-	32,750	32,750
Sale of capital assets	-	-	800,986	800,986
<b>Total Other Financing Sources (Uses)</b>	<b>844,294</b>	<b>891,631</b>	<b>602,489</b>	<b>(289,142)</b>
<b>Net Change in Fund Balances</b>	<b>1,430,002</b>	<b>1,021,468</b>	<b>2,774,033</b>	<b>1,752,565</b>
<b>Fund Balances - Beginning</b>	<b>15,957,114</b>	<b>15,957,114</b>	<b>15,957,114</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b><u>\$ 17,387,116</u></b>	<b><u>\$ 16,978,582</u></b>	<b><u>\$ 18,731,147</u></b>	<b><u>\$ 1,752,565</u></b>

See accompanying note to the required supplementary information.

Continued (Page 3 of 3)

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**ROAD FUND - MAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 92,000	\$ 92,000	\$ 62,727	\$ (29,273)
Licenses and permits	30,000	30,000	28,772	(1,228)
Use of money and property	59,550	198,134	202,362	4,228
Intergovernmental	8,765,460	9,066,306	5,865,441	(3,200,865)
Charges for services	616,262	616,262	474,351	(141,911)
Other revenues	-	72,000	87,412	15,412
<b>Total Revenues</b>	<b>9,563,272</b>	<b>10,074,702</b>	<b>6,721,065</b>	<b>(3,353,637)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities	7,839,091	9,511,303	8,834,055	677,248
Capital outlay	7,424,500	7,852,686	3,655,806	4,196,880
<b>Total Expenditures</b>	<b>15,263,591</b>	<b>17,363,989</b>	<b>12,489,861</b>	<b>4,874,128</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,700,319)</b>	<b>(7,289,287)</b>	<b>(5,768,796)</b>	<b>1,520,491</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	5,416,159	5,518,395	4,438,921	(1,079,474)
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>5,416,159</b>	<b>5,518,395</b>	<b>4,438,921</b>	<b>(1,079,474)</b>
<b>Net Change in Fund Balance</b>	<b>(284,160)</b>	<b>(1,770,892)</b>	<b>(1,329,875)</b>	<b>441,017</b>
<b>Fund Balances - Beginning</b>	<b>6,600,717</b>	<b>6,600,717</b>	<b>6,600,717</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 6,316,557</b>	<b>\$ 4,829,825</b>	<b>\$ 5,270,842</b>	<b>\$ 441,017</b>

See accompanying note to the required supplementary information.

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**COMMUNITY DEVELOPMENT AGENCY - MAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 18,000	\$ 18,000	\$ 17,920	\$ (80)
Licenses and permits	2,195,831	2,195,831	1,670,201	(525,630)
Fines and forfeitures	2,000	2,000	535	(1,465)
Use of money and property	10,000	10,000	51,251	41,251
Intergovernmental	582,376	948,331	857,551	(90,780)
Charges for services	2,444,092	2,530,570	2,082,826	(447,744)
Other revenues	101,060	161,060	198,019	36,959
<b>Total Revenues</b>	<b>5,353,359</b>	<b>5,865,792</b>	<b>4,878,303</b>	<b>(987,489)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	5,116,100	5,416,258	5,050,252	366,006
Health and sanitation	2,371,175	2,368,071	2,227,369	140,702
Capital outlay	-	6,400	-	6,400
<b>Total Expenditures</b>	<b>7,487,275</b>	<b>7,790,729</b>	<b>7,277,621</b>	<b>513,108</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,133,916)</b>	<b>(1,924,937)</b>	<b>(2,399,318)</b>	<b>(474,381)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	2,018,366	2,530,351	2,443,740	(86,611)
Transfers out	(4,116)	(266,199)	(262,423)	3,776
<b>Total Other Financing Sources (Uses)</b>	<b>2,014,250</b>	<b>2,264,152</b>	<b>2,181,317</b>	<b>(82,835)</b>
<b>Net Change in Fund Balance</b>	<b>(119,666)</b>	<b>339,215</b>	<b>(218,001)</b>	<b>(557,216)</b>
<b>Fund Balances - Beginning</b>	<b>287,483</b>	<b>287,483</b>	<b>287,483</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 167,817</b>	<b>\$ 626,698</b>	<b>\$ 69,482</b>	<b>\$ (557,216)</b>

See accompanying note to the required supplementary information.

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**HUMAN SERVICES AGENCY - MAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Licenses and permits	\$ 800	\$ 800	\$ 588	\$ (212)
Fines and forfeitures	1,139	1,139	672	(467)
Use of money and property	75,000	-	(25,908)	(25,908)
Intergovernmental	27,910,961	29,663,011	29,465,875	(197,136)
Charges for services	475,886	550,886	475,699	(75,187)
Other revenues	16,000	92,660	130,420	37,760
<b>Total Revenues</b>	<b>28,479,786</b>	<b>30,308,496</b>	<b>30,047,346</b>	<b>(261,150)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Health and sanitation	15,879,159	17,265,222	15,565,235	1,699,987
Public assistance	21,871,285	22,660,139	22,063,382	596,757
Capital outlay	26,813	17,490	-	17,490
<b>Total Expenditures</b>	<b>37,777,257</b>	<b>39,942,851</b>	<b>37,628,617</b>	<b>2,314,234</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(9,297,471)</b>	<b>(9,634,355)</b>	<b>(7,581,271)</b>	<b>2,053,084</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	9,335,998	9,314,033	9,100,757	(213,276)
Transfers out	(8,527)	(8,527)	(3,883)	4,644
<b>Total Other Financing Sources (Uses)</b>	<b>9,327,471</b>	<b>9,305,506</b>	<b>9,096,874</b>	<b>(208,632)</b>
<b>Net Change in Fund Balance</b>	<b>30,000</b>	<b>(328,849)</b>	<b>1,515,603</b>	<b>1,844,452</b>
<b>Fund Balances - Beginning</b>	<b>662,676</b>	<b>662,676</b>	<b>662,676</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 692,676</b>	<b>\$ 333,827</b>	<b>\$ 2,178,279</b>	<b>\$ 1,844,452</b>

See accompanying note to the required supplementary information.

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**HEALTH AND WELFARE REALIGNMENT - MAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 800	\$ 800
Intergovernmental	7,247,293	7,247,293	6,822,089	(425,204)
<b>Total Revenues</b>	<u>7,247,293</u>	<u>7,247,293</u>	<u>6,822,889</u>	<u>(424,404)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Health and sanitation	1,148	1,148	-	1,148
<b>Total Expenditures</b>	<u>1,148</u>	<u>1,148</u>	<u>-</u>	<u>1,148</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>7,246,145</u>	<u>7,246,145</u>	<u>6,822,889</u>	<u>(423,256)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	127,268	127,268	475,193	347,925
Transfers out	(8,355,689)	(8,625,668)	(8,644,751)	(19,083)
<b>Total Other Financing Sources (Uses)</b>	<u>(8,228,421)</u>	<u>(8,498,400)</u>	<u>(8,169,558)</u>	<u>328,842</u>
<b>Net Change in Fund Balance</b>	<u>(982,276)</u>	<u>(1,252,255)</u>	<u>(1,346,669)</u>	<u>(94,414)</u>
<b>Fund Balances - Beginning</b>	<u>7,794,505</u>	<u>7,794,505</u>	<u>7,794,505</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 6,812,229</u>	<u>\$ 6,542,250</u>	<u>\$ 6,447,836</u>	<u>\$ (94,414)</u>

**Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:**

**Net Change in Fund Balances - Budgetary Basis** \$ (1,346,669)

The amount reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances was different because:

The 10% shift out to other funds is included in transfers out for budgetary purposes, but is a reduction of transfers in for financial reporting purposes.

Transfers in	347,925
Transfers out	<u>(347,925)</u>

**Net Change in Fund Balances - Statement of Revenues, Expenditures, and Changes in Fund Balances** \$ (1,346,669)

**Reconciliation of Fund Balances - Budgetary to GAAP Basis:**

**Fund Balances - Ending - Budgetary Basis** \$ 6,447,836

Cumulative effect of reclassification of 10% shift	<u>-</u>
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**Fund Balances - Ending - GAAP Basis** \$ 6,447,836

See accompanying note to the required supplementary information.

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**A. SCHEDULE OF FUNDING PROGRESS - PENSION**

The Schedule of Funding Progress - Pension presents a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the pension plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

The County of Nevada has less than 100 active employee members in its Safety Plan and is required to participate in a risk pool. Therefore, the individual plan funded status is not presented.

**B. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS**

The Schedule of Funding Progress - Other Postemployment Benefits provides a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

**C. BUDGETARY BASIS OF ACCOUNTING**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The County follows these procedures annually in establishing the budgetary data reflected in the financial statements:

- (1) The County Executive Officer submits to the Board of Supervisors a proposed draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the proposed budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the service budget unit, the amounts stated therein, as proposed expenditures become appropriations to the various County service budget units. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object or purpose to another within the same service budget unit.

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General, Special Revenue and Debt Service funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The 01-HOME-0553 and CSA 14 Zone 2 Creekview R/M nonmajor special revenue funds did not have a legally adopted budget.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general and other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

**COUNTY OF NEVADA, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**D. INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH**

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by the Governmental Accounting Standards Board (GASB) Statement No. 34. The County has elected to use the modified approach to report its maintained road system. Infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34.

The County manages its maintained road system using the Metropolitan Transportation Commission's Pavement Management program (Program) and accounts for them using the modified approach. The Program establishes a Pavement Condition Index (PCI) on a scale from zero to one hundred (0-100) for each road segment being maintained by the Department of Public Works. The Program has defined the pavement of roads with PCIs of 40 or better to be in a "Fair" or better condition and roads with a PCI of 55 or better to be in a "Good" or better condition. The system-wide average PCI number for all paved or chip sealed roads in the County maintained road system is calculated on a weighted by section, road area basis. The amount that an individual road section's condition contributes to the overall system average rating is proportionate to the amount of the total systems surfaced area that the individual segment contains. It is the County's policy relative to maintaining the maintained road system to keep an average PCI rating of 62. This rating must be achieved over a three year period.

One third of the County maintained roads are assessed each year, with a complete condition assessment calculated every three years. The last complete condition assessment was completed in fiscal year 2006. As of June 30, 2006, the County's road system was rated at a PCI of 65.

As of June 30, 2008, the County's road system was rated at a PCI of 66. A three year history of the PCI ratings for the County maintained roads as of June 30, 2008 is provided below:

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>3 Year Average</u>
PCI Index	66.00	65.00	65.00	65.00

For the year ended June 30, 2008, actual maintenance and preservation costs were \$6,134,322, which was \$3,552,759 or 57% greater than estimated. The increase was due to the fact that the cost of labor, equipment, inventory and the annual striping contract were not included in planned maintenance and preservation cost. A five year history of planned to actual maintenance and preservation costs is provided below.

<u>Fiscal Year</u>	<u>Maintenance &amp; Preservation Cost</u>		
	<u>Estimated Costs</u>	<u>Actual Costs</u>	<u>Variance</u>
2004	\$ 4,083,793	\$ 3,887,933	\$ 195,860
2005	1,974,249	2,676,307	( 702,058)
2006	3,698,191	4,868,759	( 1,170,568)
2007	3,112,954	5,652,819	( 2,539,865)
2008	2,581,563	6,134,322	( 3,552,759)



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**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	Special Revenue Funds	Debt Service Funds	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 18,313,575	\$ 120,285	\$ 18,433,860
Restricted cash and investments	-	2,138,574	2,138,574
Accounts receivable	134,805	-	134,805
Due from other governmental agencies	2,733,820	-	2,733,820
Taxes receivable	281,000	-	281,000
Due from other funds	795,037	40,554	835,591
Advance to other funds	219,739	-	219,739
Loans receivable	4,414,062	-	4,414,062
<b>Total Assets</b>	<b><u>\$ 26,892,038</u></b>	<b><u>\$ 2,299,413</u></b>	<b><u>\$ 29,191,451</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 593,098	\$ -	\$ 593,098
Accrued salaries and benefits	205,791	-	205,791
Due to other funds	3,539,018	27,500	3,566,518
Deferred revenue	298,569	-	298,569
Advance from other funds	219,739	-	219,739
<b>Total Liabilities</b>	<b><u>4,856,215</u></b>	<b><u>27,500</u></b>	<b><u>4,883,715</u></b>
<b>FUND BALANCES</b>			
Reserved for:			
Debt service	-	2,271,913	2,271,913
Encumbrances	39,436	-	39,436
Loans receivable	4,414,062	-	4,414,062
Unreserved:			
Undesignated	17,582,325	-	17,582,325
<b>Total Fund Balances</b>	<b><u>22,035,823</u></b>	<b><u>2,271,913</u></b>	<b><u>24,307,736</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 26,892,038</u></b>	<b><u>\$ 2,299,413</u></b>	<b><u>\$ 29,191,451</u></b>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds	Debt Service Funds	Totals
<b><u>REVENUES</u></b>			
Taxes and assessments	\$ 1,696,220	\$ -	\$ 1,696,220
Licenses and permits	11,224	-	11,224
Fines and forfeitures	621,151	-	621,151
Use of money and property	584,367	134,135	718,502
Intergovernmental	19,801,195	-	19,801,195
Charges for services	956,690	27,898	984,588
Other revenues	1,055,405	-	1,055,405
<b>Total Revenues</b>	<b>24,726,252</b>	<b>162,033</b>	<b>24,888,285</b>
<b><u>EXPENDITURES</u></b>			
Current:			
General government	682,349	47,562	729,911
Public ways and facilities	321,860	2,045	323,905
Public protection	6,114,905	-	6,114,905
Health and sanitation	2,934,613	-	2,934,613
Public Assistance	2,761,107	-	2,761,107
Education	2,778,678	-	2,778,678
Recreation	245,653	-	245,653
Debt service			
Principal	-	1,031,412	1,031,412
Interest and other charges	561	864,027	864,588
Capital outlay	88,267	-	88,267
<b>Total Expenditures</b>	<b>15,927,993</b>	<b>1,945,046</b>	<b>17,873,039</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>8,798,259</b>	<b>(1,783,013)</b>	<b>7,015,246</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	3,320,380	1,785,551	5,105,931
Transfers out	(13,110,343)	(742)	(13,111,085)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,789,963)</b>	<b>1,784,809</b>	<b>(8,005,154)</b>
<b>Net Change in Fund Balances</b>	<b>(991,704)</b>	<b>1,796</b>	<b>(989,908)</b>
<b>Fund Balances - Beginning</b>	<b>23,027,527</b>	<b>2,270,117</b>	<b>25,297,644</b>
<b>Fund Balances - Ending</b>	<b>\$ 22,035,823</b>	<b>\$ 2,271,913</b>	<b>\$ 24,307,736</b>

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**NONMAJOR GOVERNMENTAL FUNDS**  
Special Revenue Funds

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## **COUNTY OF NEVADA, CALIFORNIA NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. Nonmajor special revenue funds used by the County are listed below:

- **FISH AND GAME**  
The fund provides for expenditures, which are used for the protection and propagation of fish and game. Revenues are from the County's share of fines collected for violations of fish and game laws.
- **CHILD SUPPORT SERVICES**  
The fund provides for services to establish paternity, obtains and enforces court orders for child support, collects and distributes payments, and provides community outreach about those services for the benefit of minor children.
- **COUNTY-WIDE TECH PROJECTS**  
The fund provides for technological projects that benefit the entire County.
- **RECYCLED OIL BLOCK GRANT**  
The fund was established to maintain local used oil collection programs that encourage recycling or facilitate disposal of used oil.
- **PROBATION FIRE INSURANCE ADMIN GRANT**  
The fund provides for the administration of the insurance claims relating to the Probation Department Fire on March 20, 2002.
- **ST/COUNTY PROPERTY TAX ADMIN GRANT**  
State Department of Finance Revenue and Tax Code section 95.35 provides participation in the State/County Property Tax Administration Grant Program to supplement other funding for property tax administration.
- **MOTOR VEHICLE LICENSE**  
The fund is used to deposit all Motor Vehicle License Fees in accordance with Measure F passed by voters in March 1996.
- **PUBLIC LIBRARY**  
The fund finances public library services for 3 branches and 2 stations located in the unincorporated and incorporated areas within the County.
- **INET MAINTENANCE**  
The fund was established for an institutional network to support public, education and governmental television programming.
- **WORKERS' COMPENSATION**  
The fund provides claims management and pays the premium costs for workers' compensation.
- **NONMAJOR HUMAN SERVICE AGENCY**
  - PROPOSITION 36 SACPA**  
The fund was established for the deposit of Proposition 36 funds to allow the Human Services Agency to proceed with the Substance Abuse and Crime Prevention Act Plan.
  - CHILDREN'S SYSTEM OF CARE**  
The fund provides for a comprehensive, coordinated interagency children's system of care which provides the highest benefit to children and adolescents with serious emotional problems.
  - CBFRP COMMUNITY BASED FAMILY PROGRAM**  
The fund was established to develop and implement a county-wide system of community based family resource services.
  - SIERRA COUNTY ALCO PC 1463.16**  
The fund was established per Penal Code 1463.16 for the County's (Sierra County) Alcohol Program Plan which is submitted to the State Department of Alcohol and Drug Programs.
  - NEVADA COUNTY CO ALCO PC 1463.16**  
The fund was established per Penal Code 1463.16 for the County's Alcohol Program Plan which is submitted to the State Department of Alcohol and Drug Programs.

**COUNTY OF NEVADA, CALIFORNIA  
NONMAJOR SPECIAL REVENUE FUNDS**

**DRUG EDUCATION TRUST**

The fund was established per Health and Safety Code 11372.7 to maintain a drug program fund, amounts to be deposited into the fund shall be allocated by the administrator of the County's Drug Program.

**ALCOHOL EDUCATION PG PC 1463.25**

The fund was established per Penal Code 1463.25 pursuant to Vehicle Code Section 23196 and utilized pursuant to Health and Safety Code Section 11802, amounts deposited into the fund shall be allocated by the administrator of the County's Drug Program.

**EMERGENCY MEDICAL SERVICES**

The fund was established to support emergency medical services pursuant to Chapter 2.5, Division 2.5 of the Health and Safety Code.

**CALWORKS PERFORM INCENTIVE**

The fund was established to administer the Calworks Incentive Program in accordance with the County Fiscal Letter (CFL) No. 98/99-36, dated September 21, 1998.

**LOCAL BIOTERRORISM PREPAREDNESS**

The fund accounts for funding from CA. Dept. of Health Services for public health emergency preparedness including pandemic influenza and other potential emergencies.

**CHILDREN'S TRUST AB-2994**

The fund was established pursuant to Assembly Bill 2994 for child abuse prevention and treatment services.

**HEALTH - VRIP**

The fund provides for the Vital Records Improvement Program.

• **ADMINISTRATION**

**FOREST RESERVES**

The fund provides for disbursement of Title III funds at the County's discretion as long as the projects meet the requirements established in the law. Examples of authorized uses are: search, rescue and emergency services to reimburse a County or Sheriff's department for services performed on Federal lands; easement purchases to provide access to public lands; forest related educational opportunities and fire prevention planning.

**DRYDEN WILSON**

The fund provides for the distribution of a gift from the Dryden J. Wilson Trust. The gift is to be used for the furtherance and preservation of open space land and other recreational uses. The remaining \$50,000 has been allocated for the acquisition of parkland in the North San Juan Area of the County.

**WILDWOOD ESTATES ESCROW ACCOUNT**

The fund is used to capture the monies received and disbursed pursuant to the Net Sale Proceeds Agreements for the Wildwood Estates Bond Counsel and Financial Advisor Agreement.

**COMMUNITY FACILITIES DISTRICT #1990-1 WILDWOOD ESTATES**

The fund accounts for the restricted proceeds of certain amounts related to the workout plan of Wildwood Estates and related infrastructure.

**WILDWOOD ESTATES MELLO-ROOS**

The fund accounts for special taxes and bonds used to finance development projects in Wildwood Estates.

**CRIMINAL JUSTICE TEMPORARY FACILITY CONSTRUCTION**

The fund provides for Criminal Justice construction projects pursuant to Government Code Section 761010.

**COURTHOUSE TEMPORARY CONSTRUCTION**

The fund provides for courthouse construction projects pursuant to Government Code Section 76100.

**PUBLIC SAFETY AUGMENT**

The fund provides for the receipting of and disbursement of Public Safety Augmentation Funds (Proposition 172), according to the agreed upon allocations per County resolution.

## **COUNTY OF NEVADA, CALIFORNIA NONMAJOR SPECIAL REVENUE FUNDS**

### **DISPUTE RESOLUTION**

The Dispute Resolution Programs Act of 1986 provided for the local establishment and funding of informal dispute resolution. The County is authorized to allocate up to \$8 from filing fees in superior, municipal and justice court actions to generate new revenues for these local programs.

- **COMMUNITY DEVELOPMENT AGENCY**

The fund provides for the fiscal, administrative, management, long-range planning and coordination services that support the efforts, authority and duties of the Building, Environmental Health, Agriculture, Planning Departments, which includes the Code Compliance Program.

- **DISTRICT ATTORNEY**

The fund provides for the review of investigations conducted by the law enforcement agencies, sometimes conducts its own investigations or joint investigations, makes filing decisions regarding criminal complaints, and handles misdemeanor and felony cases at all stages of proceedings, both adult and juvenile.

- **PROBATION**

The fund provides for mandated tasks for adult/juvenile intake and supervision services, alternative custody programs, juvenile hall, and victim witness services.

- **RECORDER**

The fund provides for repository of official and vital records for the County and files or records a variety of documents, maintains a record of those documents for posterity, and makes certified copies available to the public.

- **SHERIFF**

#### **AUTOMATED WARRANT SYSTEM**

The fund was established to track vehicle code 40508.5 fines for development and operation of the automated warrant system.

#### **SHERIFF ANTI-DRUG GRANT**

The fund was established to record revenues and expenses associated with anti-drug investigations and prosecutions.

#### **CLETEP GRANT-OCJP#LO9901**

The fund was established to record revenues and expenses for the California Law Enforcement Technology Enhancement Program.

#### **CIVIL FEE - AB709**

The fund was established per Assembly Bill 709, funds to be used for implementation, maintenance and purchase of equipment and furnishings for Sheriff-Civil.

#### **ATTACHMENT ASSESSMENT FEE**

The fund was established per Government Code Section 26746, funds to be used for County's cost for vehicle fleet replacement and equipment for the Sheriff.

#### **CORRECTIONAL TRAINING**

The fund was established for training of eligible corrections officers, juvenile counselors, and probation officers to improve the level of competence of such staff. Such application and approval is governed by regulation and procedures established by the Board, subject to the availability of funds.

#### **INMATE WELFARE FUND**

The fund was created by statute primarily for the benefit, education and welfare of the inmates confined within the jail.

#### **TRUCKEE ANIMAL SHELTER**

Fund set up in 1982 with a \$1000 donation from the Humane Society to go toward the funding of a Truckee based Animal Shelter.

#### **FEDERAL ASSET FORFEITURE FUND**

The fund was established to hold proceeds from property seized until a Federal court order allocates the distribution per Code Section 11489.

## **COUNTY OF NEVADA, CALIFORNIA NONMAJOR SPECIAL REVENUE FUNDS**

### **FINGERPRINT IDENTIFICATION**

Fund was established for the enhancement of fingerprint facilities funded by monies levied from fines, fee and forfeitures on criminal offenses. Monies are to be used only for the purchase, lease, operation, including personnel and related costs, and maintenance of automated fingerprint equipment, or for the reimbursement to agencies that had previously performed any of these functions.

### **LAW ENFORCEMENT SERVICES**

Also known as the Citizens for Public Safety grant (COPS). These funds are allocated to the Sheriff - Jail (12.5%) for county jail construction and operations, the District Attorney (12.5%) for the prosecution of criminals and 75% to the County and the cities within the County local front line law enforcement services.

### **LAW ENFORCEMENT BLOCK GRANT**

The fund was established for deposit and transfer of Federal funds received from the Local Law Enforcement Block Grant Program. All requirements of the expenditure of these funds, including a recommendation from the LLEBG Grant Advisory Board, and the successful completion of a public hearing have been met.

### **GC76104.6 ST DNA ACT**

The fund was established to collect fines from the DNA Penalty Assessment (Proposition 69). These funds are used for Administrative costs; collection of samples; processing/analysis/tracking and storage of DNA crime scene samples; equipment; software and other.

### **STATE ASSET FORFEITURE**

The fund was established to hold proceeds from property seized until a State court order allocates the distribution per Code Section 11489.

- **HOUSING AUTHORITY**

These funds provide Section 8 rental assistance vouchers to very low-income seniors, disabled persons, families and individuals, to ensure safe, affordable housing.

- **SPECIAL DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS**

These funds support a number of special purpose district funds administered by the Department of Transportation. Funding is provided by tax levies and service charges.

- **DEPARTMENT OF TRANSPORTATION**

The fund provides for the construction and maintenance of County Roads, along with transportation planning activities.

- **HOUSING AND COMMUNITY SERVICES**

The fund provides for the securing of State and Federal grants for affordable housing, economic development, energy assistance, community facilities and various low-income community services.

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**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2008**

	<u>Fish and Game</u>	<u>Child Support Services</u>	<u>County-wide Tech Projects</u>	<u>Recycled Oil Block Grant</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 30,917	\$ 168,812	\$ -	\$ 35,262
Accounts receivable	-	6	-	-
Due from other governmental agencies	-	-	-	20,804
Taxes receivable	-	-	-	-
Due from other funds	-	24,245	-	-
Advance to other funds	-	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 30,917</u>	<u>\$ 193,063</u>	<u>\$ -</u>	<u>\$ 56,066</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 236	\$ 16,809	\$ -	\$ 1,585
Accrued salaries and benefits	-	111,028	-	-
Due to other funds	-	8,040	-	2,905
Deferred revenue	-	-	-	20,804
Advance from other funds	-	-	-	-
<b>Total Liabilities</b>	<u>236</u>	<u>135,877</u>	<u>-</u>	<u>25,294</u>
<b><u>FUND BALANCES</u></b>				
Reserved for:				
Encumbrances	-	-	-	-
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	<u>30,681</u>	<u>57,186</u>	<u>-</u>	<u>30,772</u>
<b>Total Fund Balances</b>	<u>30,681</u>	<u>57,186</u>	<u>-</u>	<u>30,772</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 30,917</u>	<u>\$ 193,063</u>	<u>\$ -</u>	<u>\$ 56,066</u>

<u>Probation Fire Insurance Admin Grant</u>	<u>St/County Property Tax Admin Grant</u>	<u>Motor Vehicle License</u>	<u>Public Library</u>	<u>Inet Maintenance</u>	<u>Workers' Compensation</u>	<u>Nonmajor Human Service Agency</u>	<u>Administration</u>
\$ 269,878	\$ 10,327	\$ 3,755,359	\$ 582,293	\$ 157,915	\$ 242,397	\$ 2,248,547	\$ 2,198,991
-	-	-	1,125	17,575	-	87,453	-
-	-	-	-	-	-	709,661	1,189,097
-	-	-	281,000	-	-	-	-
-	-	160,134	1,824	-	236	12,047	2,993
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 269,878</u>	<u>\$ 10,327</u>	<u>\$ 3,915,493</u>	<u>\$ 866,242</u>	<u>\$ 175,490</u>	<u>\$ 242,633</u>	<u>\$ 3,057,708</u>	<u>\$ 3,391,081</u>
\$ -	\$ -	\$ -	\$ 11,541	\$ 9,800	\$ 40	\$ 260,660	\$ 150,588
-	-	-	66,504	-	-	1,639	-
34,100	6,000	143,259	17,831	43	160,555	1,036,975	1,128,541
-	-	-	-	-	-	96,323	-
-	-	-	-	-	-	-	-
<u>34,100</u>	<u>6,000</u>	<u>143,259</u>	<u>95,876</u>	<u>9,843</u>	<u>160,595</u>	<u>1,395,597</u>	<u>1,279,129</u>
-	-	-	-	-	-	1,713	10,817
-	-	-	-	-	-	-	-
<u>235,778</u>	<u>4,327</u>	<u>3,772,234</u>	<u>770,366</u>	<u>165,647</u>	<u>82,038</u>	<u>1,660,398</u>	<u>2,101,135</u>
<u>235,778</u>	<u>4,327</u>	<u>3,772,234</u>	<u>770,366</u>	<u>165,647</u>	<u>82,038</u>	<u>1,662,111</u>	<u>2,111,952</u>
<u>\$ 269,878</u>	<u>\$ 10,327</u>	<u>\$ 3,915,493</u>	<u>\$ 866,242</u>	<u>\$ 175,490</u>	<u>\$ 242,633</u>	<u>\$ 3,057,708</u>	<u>\$ 3,391,081</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2008**

	<b>Community Development Agency</b>	<b>District Attorney</b>	<b>Probation</b>	<b>Recorder</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,282,089	\$ 90,147	\$ 236,205	\$ 1,113,679
Accounts receivable	-	-	92	1,361
Due from other governmental agencies	-	-	-	-
Taxes receivable	-	-	-	-
Due from other funds	18	-	-	-
Advance to other funds	-	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,282,107</b>	<b>\$ 90,147</b>	<b>\$ 236,297</b>	<b>\$ 1,115,040</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 6,174	\$ 6,577	\$ 4,691	\$ 4,008
Accrued salaries and benefits	2,830	-	-	-
Due to other funds	11,590	-	106,563	54,810
Deferred revenue	-	-	-	-
Advance from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>20,594</b>	<b>6,577</b>	<b>111,254</b>	<b>58,818</b>
<b><u>FUND BALANCES</u></b>				
Reserved for:				
Encumbrances	-	-	-	-
Loans receivable	-	-	-	-
Unreserved:				
Undesignated	1,261,513	83,570	125,043	1,056,222
<b>Total Fund Balances</b>	<b>1,261,513</b>	<b>83,570</b>	<b>125,043</b>	<b>1,056,222</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,282,107</b>	<b>\$ 90,147</b>	<b>\$ 236,297</b>	<b>\$ 1,115,040</b>



Sheriff	Housing Authority	Special Districts Governed by the Board of Supervisors	Department of Transportation	Housing and Community Services	Totals
\$ 1,936,493	\$ 344,711	\$ 1,121,512	\$ 2,411,494	\$ 76,547	\$ 18,313,575
10,129	158	-	12,206	4,700	134,805
51,967	-	-	-	762,291	2,733,820
-	-	-	-	-	281,000
456	14,146	-	-	578,938	795,037
-	-	-	219,739	-	219,739
-	-	-	-	4,414,062	4,414,062
<u>\$ 1,999,045</u>	<u>\$ 359,015</u>	<u>\$ 1,121,512</u>	<u>\$ 2,643,439</u>	<u>\$ 5,836,538</u>	<u>\$ 26,892,038</u>
\$ 19,125	\$ 308	\$ 199	\$ -	\$ 100,757	\$ 593,098
-	7,096	-	-	16,694	205,791
137,835	189	51,537	1,293	636,952	3,539,018
40,285	-	-	-	141,157	298,569
-	-	-	219,739	-	219,739
<u>197,245</u>	<u>7,593</u>	<u>51,736</u>	<u>221,032</u>	<u>895,560</u>	<u>4,856,215</u>
16,918	-	-	-	9,988	39,436
-	-	-	-	4,414,062	4,414,062
<u>1,784,882</u>	<u>351,422</u>	<u>1,069,776</u>	<u>2,422,407</u>	<u>516,928</u>	<u>17,582,325</u>
<u>1,801,800</u>	<u>351,422</u>	<u>1,069,776</u>	<u>2,422,407</u>	<u>4,940,978</u>	<u>22,035,823</u>
<u>\$ 1,999,045</u>	<u>\$ 359,015</u>	<u>\$ 1,121,512</u>	<u>\$ 2,643,439</u>	<u>\$ 5,836,538</u>	<u>\$ 26,892,038</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Fish and Game</u>	<u>Child Support Services</u>	<u>County-wide Tech Projects</u>	<u>Recycled Oil Block Grant</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	2,858	-	-	-
Use of money and property	1,506	27,699	-	802
Intergovernmental	-	4,373,624	-	29,392
Charges for services	-	9,011	-	-
Other revenues	-	26,666	-	-
<b>Total Revenues</b>	<u>4,364</u>	<u>4,437,000</u>	<u>-</u>	<u>30,194</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	-
Public protection	10,259	4,409,099	-	-
Health and sanitation	-	-	-	20,916
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation	-	-	-	-
Debt service:				
Interest and other charges	-	-	-	-
Capital outlay	-	38,747	-	-
<b>Total Expenditures</b>	<u>10,259</u>	<u>4,447,846</u>	<u>-</u>	<u>20,916</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(5,895)</u>	<u>(10,846)</u>	<u>-</u>	<u>9,278</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	(39,704)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(39,704)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(5,895)</u>	<u>(10,846)</u>	<u>(39,704)</u>	<u>9,278</u>
<b>Fund Balances - Beginning</b>	<u>36,576</u>	<u>68,032</u>	<u>39,704</u>	<u>21,494</u>
<b>Fund Balances - Ending</b>	<u>\$ 30,681</u>	<u>\$ 57,186</u>	<u>\$ -</u>	<u>\$ 30,772</u>

Probation Fire Insurance Admin Grant	St/County Property Tax Admin Grant	Motor Vehicle License	Public Library	Inet Maintenance	Workers' Compensation	Nonmajor Human Service Agency	Administration
\$ -	\$ -	\$ -	\$ 1,658,323	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	418,372
11,268	431	8,334	41,547	674	17,970	85,037	80,187
-	-	-	66,409	-	-	3,080,851	6,954,956
-	-	-	99,526	-	-	23,267	-
-	-	-	16,426	87,932	126,622	288,975	7,893
11,268	431	8,334	1,882,231	88,606	144,592	3,478,130	7,461,408
118	-	-	-	259,971	144,270	-	167,696
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	704,070
-	-	-	-	-	-	2,777,743	-
-	-	-	2,778,678	-	-	-	-
-	-	-	-	-	-	-	135,243
-	-	-	-	-	-	-	-
-	-	-	36,452	13,068	-	-	-
118	-	-	2,815,130	273,039	144,270	2,777,743	1,007,009
11,150	431	8,334	(932,899)	(184,433)	322	700,387	6,454,399
-	-	2,198,495	565,902	-	-	123,396	167,062
(34,100)	(6,000)	(4,405,769)	-	-	-	(672,088)	(6,481,992)
(34,100)	(6,000)	(2,207,274)	565,902	-	-	(548,692)	(6,314,930)
(22,950)	(5,569)	(2,198,940)	(366,997)	(184,433)	322	151,695	139,469
258,728	9,896	5,971,174	1,137,363	350,080	81,716	1,510,416	1,972,483
\$ 235,778	\$ 4,327	\$ 3,772,234	\$ 770,366	\$ 165,647	\$ 82,038	\$ 1,662,111	\$ 2,111,952

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Community Development Agency</b>	<b>District Attorney</b>	<b>Probation</b>	<b>Recorder</b>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	11,224	-
Fines and forfeitures	154,449	-	2,337	-
Use of money and property	53,375	2,368	11,090	1,419
Intergovernmental	17,344	15,277	341,091	-
Charges for services	2,924	21,020	-	211,770
Other revenues	53,355	23,734	3,956	-
<b>Total Revenues</b>	<b>281,447</b>	<b>62,399</b>	<b>369,698</b>	<b>213,189</b>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
Public ways and facilities	-	-	-	-
Public protection	36,693	36,011	8,452	549,468
Health and sanitation	135,954	-	-	-
Public assistance	-	-	13,408	-
Education	-	-	-	-
Recreation	110,410	-	-	-
Debt service:				
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>283,057</b>	<b>36,011</b>	<b>21,860</b>	<b>549,468</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,610)</b>	<b>26,388</b>	<b>347,838</b>	<b>(336,279)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	(12,623)	(3,770)	(354,329)	(10,798)
<b>Total Other Financing Sources (Uses)</b>	<b>(12,623)</b>	<b>(3,770)</b>	<b>(354,329)</b>	<b>(10,798)</b>
<b>Net Change in Fund Balance</b>	<b>(14,233)</b>	<b>22,618</b>	<b>(6,491)</b>	<b>(347,077)</b>
<b>Fund Balances - Beginning</b>	<b>1,275,746</b>	<b>60,952</b>	<b>131,534</b>	<b>1,403,299</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,261,513</b>	<b>\$ 83,570</b>	<b>\$ 125,043</b>	<b>\$ 1,056,222</b>

Sheriff	Housing Authority	Special Districts Governed by the Board of Supervisors	Department of Transportation	Housing and Community Services	Totals
\$ -	\$ -	\$ 37,897	\$ -	\$ -	\$ 1,696,220
		-	-	-	11,224
43,135	-	-	-	-	621,151
87,549	16,192	42,228	93,656	1,035	584,367
1,045,123	1,615,200	405	-	2,261,523	19,801,195
38,405	-	347,013	203,754	-	956,690
348,697	2,677	1,000	46,479	20,993	1,055,405
1,562,909	1,634,069	428,543	343,889	2,283,551	24,726,252
-	-	-	-	110,294	682,349
-	-	247,711	74,149	-	321,860
360,853	-	-	-	-	6,114,905
-	-	-	-	-	2,934,613
-	1,554,167	-	-	1,193,532	2,761,107
-	-	-	-	-	2,778,678
-	-	-	-	-	245,653
-	-	-	-	561	561
-	-	-	-	-	88,267
360,853	1,554,167	247,711	74,149	1,304,387	15,927,993
1,202,056	79,902	180,832	269,740	979,164	8,798,259
116,835	752	-	-	147,938	3,320,380
(965,896)	(752)	-	(33,152)	(89,370)	(13,110,343)
(849,061)	-	-	(33,152)	58,568	(9,789,963)
352,995	79,902	180,832	236,588	1,037,732	(991,704)
1,448,805	271,520	888,944	2,185,819	3,903,246	23,027,527
\$ 1,801,800	\$ 351,422	\$ 1,069,776	\$ 2,422,407	\$ 4,940,978	\$ 22,035,823

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**FISH AND GAME - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 2,858	\$ (2,142)
Use of money and property	1,200	1,200	1,506	306
<b>Total Revenues</b>	<b>6,200</b>	<b>6,200</b>	<b>4,364</b>	<b>(1,836)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	23,200	23,200	10,259	12,941
<b>Total Expenditures</b>	<b>23,200</b>	<b>23,200</b>	<b>10,259</b>	<b>12,941</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(17,000)</b>	<b>(17,000)</b>	<b>(5,895)</b>	<b>11,105</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(17,000)</b>	<b>(17,000)</b>	<b>(5,895)</b>	<b>11,105</b>
<b>Fund Balances - Beginning</b>	<b>36,576</b>	<b>36,576</b>	<b>36,576</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 19,576</b>	<b>\$ 19,576</b>	<b>\$ 30,681</b>	<b>\$ 11,105</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**CHILD SUPPORT SERVICES - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ 25,000	\$ 25,000	\$ 27,699	\$ 2,699
Intergovernmental	4,221,016	4,433,815	4,373,624	(60,191)
Charges for services	-	17,892	9,011	(8,881)
Other revenues	-	26,312	26,666	354
<b>Total Revenues</b>	<b>4,246,016</b>	<b>4,503,019</b>	<b>4,437,000</b>	<b>(66,019)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	4,246,016	4,462,524	4,409,099	53,425
Capital outlay	-	40,495	38,747	1,748
<b>Total Expenditures</b>	<b>4,246,016</b>	<b>4,503,019</b>	<b>4,447,846</b>	<b>55,173</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>(10,846)</b>	<b>(10,846)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(10,846)</b>	<b>(10,846)</b>
<b>Fund Balances - Beginning</b>	<b>68,032</b>	<b>68,032</b>	<b>68,032</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 68,032</b>	<b>\$ 68,032</b>	<b>\$ 57,186</b>	<b>\$ (10,846)</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**COUNTY-WIDE TECH PROJECTS - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	-	-	-	-
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-	-	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	(39,704)	(39,704)	-
<b>Total Other Financing Sources (Uses)</b>	-	(39,704)	(39,704)	-
<b>Net Change in Fund Balance</b>	-	(39,704)	(39,704)	-
<b>Fund Balances - Beginning</b>	39,704	39,704	39,704	-
<b>Fund Balances - Ending</b>	<u>\$ 39,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**RECYCLED OIL BLOCK GRANT - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ 700	\$ 700	\$ 802	\$ 102
Intergovernmental	29,555	29,555	29,392	(163)
<b>Total Revenues</b>	<b>30,255</b>	<b>30,255</b>	<b>30,194</b>	<b>(61)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Health and sanitation	30,255	30,255	20,916	9,339
<b>Total Expenditures</b>	<b>30,255</b>	<b>30,255</b>	<b>20,916</b>	<b>9,339</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>9,278</b>	<b>9,278</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>9,278</b>	<b>9,278</b>
<b>Fund Balances - Beginning</b>	<b>21,494</b>	<b>21,494</b>	<b>21,494</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 21,494</b>	<b>\$ 21,494</b>	<b>\$ 30,772</b>	<b>\$ 9,278</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**PROBATION FIRE INSURANCE ADMIN GRANT - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 9,000	\$ 9,000	\$ 11,268	\$ 2,268
<b>Total Revenues</b>	<u>9,000</u>	<u>9,000</u>	<u>11,268</u>	<u>2,268</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	118	118	118	-
<b>Total Expenditures</b>	<u>118</u>	<u>118</u>	<u>118</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>8,882</u>	<u>8,882</u>	<u>11,150</u>	<u>2,268</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	(34,526)	(34,526)	(34,100)	426
<b>Total Other Financing Sources (Uses)</b>	<u>(34,526)</u>	<u>(34,526)</u>	<u>(34,100)</u>	<u>426</u>
<b>Net Change in Fund Balance</b>	<u>(25,644)</u>	<u>(25,644)</u>	<u>(22,950)</u>	<u>2,694</u>
<b>Fund Balances - Beginning</b>	<u>258,728</u>	<u>258,728</u>	<u>258,728</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 233,084</u>	<u>\$ 233,084</u>	<u>\$ 235,778</u>	<u>\$ 2,694</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**ST/COUNTY PROPERTY TAX ADMIN GRANT - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 300	\$ 300	\$ 431	\$ 131
<b>Total Revenues</b>	<u>300</u>	<u>300</u>	<u>431</u>	<u>131</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>300</u>	<u>300</u>	<u>431</u>	<u>131</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	(6,000)	(6,000)	(6,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(5,700)</u>	<u>(5,700)</u>	<u>(5,569)</u>	<u>131</u>
<b>Fund Balances - Beginning</b>	<u>9,896</u>	<u>9,896</u>	<u>9,896</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 4,196</u>	<u>\$ 4,196</u>	<u>\$ 4,327</u>	<u>\$ 131</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**MOTOR VEHICLE LICENSE - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 8,334	\$ 8,334
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>8,334</u>	<u>8,334</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>8,334</u>	<u>8,334</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	2,465,879	2,198,495	(267,384)
Transfers out	(2,910,665)	(5,376,544)	(4,405,769)	970,775
<b>Total Other Financing Sources (Uses)</b>	<u>(2,910,665)</u>	<u>(2,910,665)</u>	<u>(2,207,274)</u>	<u>703,391</u>
<b>Net Change in Fund Balance</b>	<u>(2,910,665)</u>	<u>(2,910,665)</u>	<u>(2,198,940)</u>	<u>711,725</u>
<b>Fund Balances - Beginning</b>	<u>5,971,174</u>	<u>5,971,174</u>	<u>5,971,174</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,060,509</u>	<u>\$ 3,060,509</u>	<u>\$ 3,772,234</u>	<u>\$ 711,725</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**PUBLIC LIBRARY - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 2,095,409	\$ 2,095,409	\$ 1,658,323	\$ (437,086)
Use of money and property	39,759	39,759	41,547	1,788
Intergovernmental	73,480	73,480	66,409	(7,071)
Charges for services	98,500	98,500	99,526	1,026
Other revenues	6,145	6,145	16,426	10,281
<b>Total Revenues</b>	<b>2,313,293</b>	<b>2,313,293</b>	<b>1,882,231</b>	<b>(431,062)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Education	2,812,629	2,815,229	2,778,678	36,551
Capital outlay	33,200	49,081	36,452	12,629
<b>Total Expenditures</b>	<b>2,845,829</b>	<b>2,864,310</b>	<b>2,815,130</b>	<b>49,180</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(532,536)</b>	<b>(551,017)</b>	<b>(932,899)</b>	<b>(381,882)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	565,902	565,902	565,902	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>565,902</b>	<b>565,902</b>	<b>565,902</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>33,366</b>	<b>14,885</b>	<b>(366,997)</b>	<b>(381,882)</b>
<b>Fund Balances - Beginning</b>	<b>1,137,363</b>	<b>1,137,363</b>	<b>1,137,363</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,170,729</b>	<b>\$ 1,152,248</b>	<b>\$ 770,366</b>	<b>\$ (381,882)</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**INET MAINTENANCE - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 674	\$ 674
Other revenues	71,829	71,829	87,932	16,103
<b>Total Revenues</b>	<u>71,829</u>	<u>71,829</u>	<u>88,606</u>	<u>16,777</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	406,829	412,166	259,971	152,195
Capital outlay	-	13,010	13,068	(58)
<b>Total Expenditures</b>	<u>406,829</u>	<u>425,176</u>	<u>273,039</u>	<u>152,137</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(335,000)</u>	<u>(353,347)</u>	<u>(184,433)</u>	<u>168,914</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(335,000)</u>	<u>(353,347)</u>	<u>(184,433)</u>	<u>168,914</u>
<b>Fund Balances - Beginning</b>	<u>350,080</u>	<u>350,080</u>	<u>350,080</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 15,080</u>	<u>\$ (3,267)</u>	<u>\$ 165,647</u>	<u>\$ 168,914</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**WORKERS' COMPENSATION - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 17,970	\$ 7,970
Other revenues	-	-	126,622	126,622
<b>Total Revenues</b>	<b>10,000</b>	<b>10,000</b>	<b>144,592</b>	<b>134,592</b>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	10,000	10,000	144,270	(134,270)
<b>Total Expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>144,270</b>	<b>(134,270)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>322</b>	<b>322</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>322</b>	<b>322</b>
<b>Fund Balances - Beginning</b>	<b>81,716</b>	<b>81,716</b>	<b>81,716</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 81,716</b>	<b>\$ 81,716</b>	<b>\$ 82,038</b>	<b>\$ 322</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**NONMAJOR HUMAN SERVICES AGENCY - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 19,850	\$ 19,850	\$ 85,037	\$ 65,187
Intergovernmental	2,724,538	3,251,726	3,080,851	(170,875)
Charges for services	17,247	17,247	23,267	6,020
Other revenue	293,735	293,735	288,975	(4,760)
<b>Total Revenues</b>	<u>3,055,370</u>	<u>3,582,558</u>	<u>3,478,130</u>	<u>(104,428)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Health and sanitation	2,710,675	3,495,423	2,777,743	717,680
Capital outlay	-	21,000	-	21,000
<b>Total Expenditures</b>	<u>2,710,675</u>	<u>3,516,423</u>	<u>2,777,743</u>	<u>738,680</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>344,695</u>	<u>66,135</u>	<u>700,387</u>	<u>634,252</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	147,079	147,079	123,396	(23,683)
Transfers out	(722,722)	(722,722)	(672,088)	50,634
<b>Total Other Financing Sources (Uses)</b>	<u>(575,643)</u>	<u>(575,643)</u>	<u>(548,692)</u>	<u>26,951</u>
<b>Net Changes in Fund Balance</b>	<u>(230,948)</u>	<u>(509,508)</u>	<u>151,695</u>	<u>661,203</u>
<b>Fund Balances - Beginning</b>	<u>1,510,416</u>	<u>1,510,416</u>	<u>1,510,416</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,279,468</u>	<u>\$ 1,000,908</u>	<u>\$ 1,662,111</u>	<u>\$ 661,203</u>



**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**ADMINISTRATION - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Fines and forfeitures	\$ 464,921	\$ 464,621	\$ 418,372	\$ (46,249)
Use of money and property	59,100	59,100	80,187	21,087
Intergovernmental	7,477,487	7,636,781	6,954,956	(681,825)
Other revenue	7,300	7,300	7,893	593
<b>Total Revenues</b>	<b>8,008,808</b>	<b>8,167,802</b>	<b>7,461,408</b>	<b>(706,394)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	6,203	169,227	167,696	1,531
Public protection	782,892	782,892	704,070	78,822
Recreation	-	146,069	135,243	10,826
<b>Total Expenditures</b>	<b>789,095</b>	<b>1,098,188</b>	<b>1,007,009</b>	<b>91,179</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>7,219,713</b>	<b>7,069,614</b>	<b>6,454,399</b>	<b>(615,215)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	4,560	167,062	167,062	-
Transfers out	(6,887,514)	(7,169,353)	(6,481,992)	687,361
<b>Total Other Financing Sources (Uses)</b>	<b>(6,882,954)</b>	<b>(7,002,291)</b>	<b>(6,314,930)</b>	<b>687,361</b>
<b>Net Changes in Fund Balance</b>	<b>336,759</b>	<b>67,323</b>	<b>139,469</b>	<b>72,146</b>
<b>Fund Balances - Beginning</b>	<b>1,972,483</b>	<b>1,972,483</b>	<b>1,972,483</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 2,309,242</b>	<b>\$ 2,039,806</b>	<b>\$ 2,111,952</b>	<b>\$ 72,146</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**COMMUNITY DEVELOPMENT AGENCY - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Fines and forfeitures	\$ 27,000	\$ 27,000	\$ 154,449	\$ 127,449
Use of money and property	37,085	37,085	53,375	16,290
Intergovernmental	17,200	17,200	17,344	144
Charges for services	16,500	16,500	2,924	(13,576)
Other revenue	97,500	98,015	53,355	(44,660)
<b>Total Revenues</b>	<u>195,285</u>	<u>195,800</u>	<u>281,447</u>	<u>85,647</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	36,733	36,733	36,693	40
Health and sanitation	266,249	267,492	135,954	131,538
Recreation	129,416	152,024	110,410	41,614
<b>Total Expenditures</b>	<u>432,398</u>	<u>456,249</u>	<u>283,057</u>	<u>173,192</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(237,113)</u>	<u>(260,449)</u>	<u>(1,610)</u>	<u>258,839</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	198,000	198,000	-	(198,000)
Transfers out	-	(249,534)	(12,623)	236,911
<b>Total Other Financing Sources (Uses)</b>	<u>198,000</u>	<u>(51,534)</u>	<u>(12,623)</u>	<u>38,911</u>
<b>Net Changes in Fund Balance</b>	<u>(39,113)</u>	<u>(311,983)</u>	<u>(14,233)</u>	<u>297,750</u>
<b>Fund Balances - Beginning</b>	<u>1,275,746</u>	<u>1,275,746</u>	<u>1,275,746</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,236,633</u>	<u>\$ 963,763</u>	<u>\$ 1,261,513</u>	<u>\$ 297,750</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**DISTRICT ATTORNEY - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ 1,834	\$ 1,834	\$ 2,368	\$ 534
Intergovernmental	-	15,277	15,277	-
Charges for services	19,000	21,020	21,020	-
Other revenue	22,000	23,733	23,734	1
<b>Total Revenues</b>	<b>42,834</b>	<b>61,864</b>	<b>62,399</b>	<b>535</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	42,213	44,713	36,011	8,702
<b>Total Expenditures</b>	<b>42,213</b>	<b>44,713</b>	<b>36,011</b>	<b>8,702</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>621</b>	<b>17,151</b>	<b>26,388</b>	<b>9,237</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	(31,276)	(3,770)	27,506
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(31,276)</b>	<b>(3,770)</b>	<b>27,506</b>
<b>Net Changes in Fund Balance</b>	<b>621</b>	<b>(14,125)</b>	<b>22,618</b>	<b>36,743</b>
<b>Fund Balances - Beginning</b>	<b>60,952</b>	<b>60,952</b>	<b>60,952</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 61,573</b>	<b>\$ 46,827</b>	<b>\$ 83,570</b>	<b>\$ 36,743</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**PROBATION - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Licenses and permits	\$ 9,500	\$ 9,500	\$ 11,224	\$ 1,724
Fines and forfeitures	5,000	5,000	2,337	(2,663)
Use of money and property	4,845	4,845	11,090	6,245
Intergovernmental revenues	347,944	347,944	341,091	(6,853)
Other revenue	7,740	7,740	3,956	(3,784)
<b>Total Revenues</b>	<b>375,029</b>	<b>375,029</b>	<b>369,698</b>	<b>(5,331)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	8,515	8,515	8,452	63
Public assistance	14,500	14,500	13,408	1,092
<b>Total Expenditures</b>	<b>23,015</b>	<b>23,015</b>	<b>21,860</b>	<b>1,155</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>352,014</b>	<b>352,014</b>	<b>347,838</b>	<b>(4,176)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	(352,444)	(394,708)	(354,329)	40,379
<b>Total Other Financing Sources (Uses)</b>	<b>(352,444)</b>	<b>(394,708)</b>	<b>(354,329)</b>	<b>40,379</b>
<b>Net Changes in Fund Balance</b>	<b>(430)</b>	<b>(42,694)</b>	<b>(6,491)</b>	<b>36,203</b>
<b>Fund Balances - Beginning</b>	<b>131,534</b>	<b>131,534</b>	<b>131,534</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 131,104</b>	<b>\$ 88,840</b>	<b>\$ 125,043</b>	<b>\$ 36,203</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**RECORDER - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 1,419	\$ 1,419
Charges for services	285,240	285,240	211,770	(73,470)
<b>Total Revenues</b>	<u>285,240</u>	<u>285,240</u>	<u>213,189</u>	<u>(72,051)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	703,929	695,355	549,468	145,887
<b>Total Expenditures</b>	<u>703,929</u>	<u>695,355</u>	<u>549,468</u>	<u>145,887</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(418,689)</u>	<u>(410,115)</u>	<u>(336,279)</u>	<u>73,836</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	(10,799)	(10,798)	1
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(10,799)</u>	<u>(10,798)</u>	<u>1</u>
<b>Net Changes in Fund Balance</b>	<u>(418,689)</u>	<u>(420,914)</u>	<u>(347,077)</u>	<u>73,837</u>
<b>Fund Balances - Beginning</b>	<u>1,403,299</u>	<u>1,403,299</u>	<u>1,403,299</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 984,610</u>	<u>\$ 982,385</u>	<u>\$ 1,056,222</u>	<u>\$ 73,837</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**SHERIFF - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 43,135	\$ (6,865)
Use of money and property	41,600	41,600	87,549	45,949
Intergovernmental	1,163,846	1,339,340	1,045,123	(294,217)
Charges for services	173,864	173,864	38,405	(135,459)
Other revenue	249,650	249,650	348,697	99,047
<b>Total Revenues</b>	<b>1,678,960</b>	<b>1,854,454</b>	<b>1,562,909</b>	<b>(291,545)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public protection	605,695	724,095	360,853	363,242
<b>Total Expenditures</b>	<b>605,695</b>	<b>724,095</b>	<b>360,853</b>	<b>363,242</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,073,265</b>	<b>1,130,359</b>	<b>1,202,056</b>	<b>71,697</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	105,000	116,835	11,835
Transfers out	(1,099,689)	(1,523,113)	(965,896)	557,217
<b>Total Other Financing Sources (Uses)</b>	<b>(1,099,689)</b>	<b>(1,418,113)</b>	<b>(849,061)</b>	<b>569,052</b>
<b>Net Changes in Fund Balance</b>	<b>(26,424)</b>	<b>(287,754)</b>	<b>352,995</b>	<b>640,749</b>
<b>Fund Balances - Beginning</b>	<b>1,448,805</b>	<b>1,448,805</b>	<b>1,448,805</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,422,381</b>	<b>\$ 1,161,051</b>	<b>\$ 1,801,800</b>	<b>\$ 640,749</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**HOUSING AUTHORITY - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ 3,500	\$ 15,999	\$ 16,192	\$ 193
Intergovernmental	1,428,772	1,543,123	1,615,200	72,077
Other revenue	-	-	2,677	2,677
<b>Total Revenues</b>	<b>1,432,272</b>	<b>1,559,122</b>	<b>1,634,069</b>	<b>74,947</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public assistance	1,432,272	1,571,863	1,554,167	17,696
<b>Total Expenditures</b>	<b>1,432,272</b>	<b>1,571,863</b>	<b>1,554,167</b>	<b>17,696</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(12,741)</b>	<b>79,902</b>	<b>92,643</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	4,500	4,500	752	(3,748)
Transfers out	(4,500)	(4,500)	(752)	3,748
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>-</b>	<b>(12,741)</b>	<b>79,902</b>	<b>92,643</b>
<b>Fund Balances - Beginning</b>	<b>271,520</b>	<b>271,520</b>	<b>271,520</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 271,520</b>	<b>\$ 258,779</b>	<b>\$ 351,422</b>	<b>\$ 92,643</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**SPECIAL DISTRICTS GOVERNED BY THE BOARD OF SUPERVISORS -**  
**NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 19,550	\$ 19,550	\$ 37,897	\$ 18,347
Use of money and property	27,590	27,590	42,228	14,638
Intergovernmental	-	-	405	405
Charges for services	341,902	341,902	347,013	5,111
Other revenues	-	-	1,000	1,000
<b>Total Revenues</b>	<u>389,042</u>	<u>389,042</u>	<u>428,543</u>	<u>39,501</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities	<u>378,263</u>	<u>399,969</u>	<u>247,711</u>	<u>152,258</u>
<b>Total Expenditures</b>	<u>378,263</u>	<u>399,969</u>	<u>247,711</u>	<u>152,258</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>10,779</u>	<u>(10,927)</u>	<u>180,832</u>	<u>191,759</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes In Fund Balance</b>	<u>10,779</u>	<u>(10,927)</u>	<u>180,832</u>	<u>191,759</u>
<b>Fund Balances - Beginning</b>	<u>888,944</u>	<u>888,944</u>	<u>888,944</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 899,723</u>	<u>\$ 878,017</u>	<u>\$ 1,069,776</u>	<u>\$ 191,759</u>



**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**DEPARTMENT OF TRANSPORTATION - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ 58,623	\$ 58,623	\$ 93,656	\$ 35,033
Charges for services	582,418	582,418	203,754	(378,664)
Other revenue	56,495	56,495	46,479	(10,016)
<b>Total Revenues</b>	<b>697,536</b>	<b>697,536</b>	<b>343,889</b>	<b>(353,647)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public ways and facilities	134,148	136,648	74,149	62,499
<b>Total Expenditures</b>	<b>134,148</b>	<b>136,648</b>	<b>74,149</b>	<b>62,499</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>563,388</b>	<b>560,888</b>	<b>269,740</b>	<b>(291,148)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	-	-
Transfers out	(181,000)	(178,500)	(33,152)	145,348
<b>Total Other Financing Sources (Uses)</b>	<b>(181,000)</b>	<b>(178,500)</b>	<b>(33,152)</b>	<b>145,348</b>
<b>Net Changes in Fund Balance</b>	<b>382,388</b>	<b>382,388</b>	<b>236,588</b>	<b>(145,800)</b>
<b>Fund Balances - Beginning</b>	<b>2,185,819</b>	<b>2,185,819</b>	<b>2,185,819</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 2,568,207</b>	<b>\$ 2,568,207</b>	<b>\$ 2,422,407</b>	<b>\$ (145,800)</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**HOUSING AND COMMUNITY SERVICES - NONMAJOR SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>REVENUES</u></b>				
Use of money and property	\$ 3,000	\$ 3,000	\$ 1,035	\$ (1,965)
Intergovernmental	1,973,050	2,946,377	2,261,523	(684,854)
Other revenue	304,500	337,092	20,993	(316,099)
<b>Total Revenues</b>	<u>2,280,550</u>	<u>3,286,469</u>	<u>2,283,551</u>	<u>(1,002,918)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	98,000	312,600	110,294	202,306
Public assistance	2,373,120	3,176,447	1,193,532	1,982,915
Debt service:				
Interest and other charges	-	-	561	(561)
<b>Total Expenditures</b>	<u>2,471,120</u>	<u>3,489,047</u>	<u>1,304,387</u>	<u>2,184,660</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(190,570)</u>	<u>(202,578)</u>	<u>979,164</u>	<u>1,181,742</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	325,570	358,699	147,938	(210,761)
Transfers out	(267,000)	(265,021)	(89,370)	175,651
<b>Total Other Financing Sources (Uses)</b>	<u>58,570</u>	<u>93,678</u>	<u>58,568</u>	<u>(35,110)</u>
<b>Net Changes in Fund Balance</b>	<u>(132,000)</u>	<u>(108,900)</u>	<u>1,037,732</u>	<u>1,146,632</u>
<b>Fund Balances - Beginning</b>	<u>3,903,246</u>	<u>3,903,246</u>	<u>3,903,246</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,771,246</u>	<u>\$ 3,794,346</u>	<u>\$ 4,940,978</u>	<u>\$ 1,146,632</u>

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**NONMAJOR GOVERNMENTAL FUNDS**  
**Debt Service Funds**

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## **COUNTY OF NEVADA, CALIFORNIA NONMAJOR DEBT SERVICE FUNDS**

Debt Service Funds are used to account for accumulation of resources for, and the payment of, principal and interest on the County's general long-term debt. Nonmajor debt service funds used by the County are listed below:

- **GOVERNMENT DEBT SERVICE**

Fund accounts for other financing requirements of the County, including for Laura Wilcox Memorial building. Amounts are transferred into, and payments made out of, this fund.

- **SPECIAL ASSESSMENT DEBT WITH COUNTY COMMITMENT**

These funds were established to administer bonds issued by the County of Nevada on behalf of the County Service Area 22 Assessment District under the Improvement Bond Act of 1915.

- **FINANCE AUTHORITY**

Fund accounts for finance and refinance of any real or personal property for the benefit of Nevada County. The Finance Authority is the lessor for the County's Certificates of Participation, and makes debt service payments on behalf of the County.

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**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2008**

	<u>Government Debt Service</u>	<u>Special Assessment Debt With County Commitment</u>	<u>Finance Authority</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ -	\$ 116,052	\$ 4,233	\$ 120,285
Restricted cash and investments	-	-	2,138,574	2,138,574
Due from other funds	-	27,500	13,054	40,554
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 143,552</u>	<u>\$ 2,155,861</u>	<u>\$ 2,299,413</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Due to other funds	\$ -	\$ 27,500	\$ -	\$ 27,500
<b>Total Liabilities</b>	<u>-</u>	<u>27,500</u>	<u>-</u>	<u>27,500</u>
<b><u>FUND BALANCES</u></b>				
Reserved for:				
Debt service	-	116,052	2,155,861	2,271,913
<b>Total Fund Balances</b>	<u>-</u>	<u>116,052</u>	<u>2,155,861</u>	<u>2,271,913</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 143,552</u>	<u>\$ 2,155,861</u>	<u>\$ 2,299,413</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Government Debt Service	Special Assessment Debt With County Commitment	Finance Authority	Totals
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ 4,515	\$ 129,620	\$ 134,135
Charges for services	-	27,898	-	27,898
<b>Total Revenues</b>	-	32,413	129,620	162,033
<b><u>EXPENDITURES</u></b>				
Current				
General government	240	-	47,322	47,562
Public ways & facilities	-	2,045	-	2,045
Debt service:				
Principal	28,498	9,908	993,006	1,031,412
Interest and other charges	41,555	17,573	804,899	864,027
<b>Total Expenditures</b>	70,293	29,526	1,845,227	1,945,046
<b>Excess of Revenues Over (Under) Expenditures</b>	(70,293)	2,887	(1,715,607)	(1,783,013)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	70,293	742	1,714,516	1,785,551
Transfers out	-	(742)	-	(742)
<b>Total Other Financing Sources (Uses)</b>	70,293	-	1,714,516	1,784,809
<b>Net Change in Fund Balance</b>	-	2,887	(1,091)	1,796
<b>Fund Balances - Beginning</b>	-	113,165	2,156,952	2,270,117
<b>Fund Balances - Ending</b>	\$ -	\$ 116,052	\$ 2,155,861	\$ 2,271,913



**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GOVERNMENT DEBT SERVICE - NONMAJOR DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	-	-	-	-
<b><u>EXPENDITURES</u></b>				
Current				
General government	240	240	240	-
Debt service:				
Principal	28,498	28,498	28,498	-
Interest and other charges	41,555	41,555	41,555	-
<b>Total Expenditures</b>	70,293	70,293	70,293	-
<b>Excess of Revenues Over (Under) Expenditures</b>	(70,293)	(70,293)	(70,293)	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	70,293	70,293	70,293	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	70,293	70,293	70,293	-
<b>Net Changes in Fund Balance</b>	-	-	-	-
<b>Fund Balances - Beginning</b>	-	-	-	-
<b>Fund Balances - Ending</b>	\$ -	\$ -	\$ -	\$ -

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**SPECIAL ASSESSMENT DEBT WITH COUNTY COMMITMENT -**  
**NONMAJOR DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ -	\$ -	\$ 4,515	\$ 4,515
Charges for services	28,792	28,792	27,898	(894)
<b>Total Revenues</b>	<u>28,792</u>	<u>28,792</u>	<u>32,413</u>	<u>3,621</u>
<b><u>EXPENDITURES</u></b>				
Current				
Public ways and facilities	1,312	1,312	2,045	(733)
Debt service:				
Principal	9,908	9,908	9,908	-
Interest and other charges	17,572	17,572	17,573	(1)
<b>Total Expenditures</b>	<u>28,792</u>	<u>28,792</u>	<u>29,526</u>	<u>(734)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>2,887</u>	<u>2,887</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	28,792	28,792	742	(28,050)
Transfers out	(28,792)	(28,792)	(742)	28,050
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes In Fund Balance</b>	<u>-</u>	<u>-</u>	<u>2,887</u>	<u>2,887</u>
<b>Fund Balances - Beginning</b>	<u>113,165</u>	<u>113,165</u>	<u>113,165</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 113,165</u>	<u>\$ 113,165</u>	<u>\$ 116,052</u>	<u>\$ 2,887</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**FINANCE AUTHORITY - NONMAJOR DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Use of money and property	\$ 128,500	\$ 128,500	\$ 129,620	\$ 1,120
<b>Total Revenues</b>	<b>128,500</b>	<b>128,500</b>	<b>129,620</b>	<b>1,120</b>
<b><u>EXPENDITURES</u></b>				
Current				
General government	47,438	47,438	47,322	116
Debt service:				
Principal	993,006	993,006	993,006	-
Interest and other charges	804,899	804,899	804,899	-
<b>Total Expenditures</b>	<b>1,845,343</b>	<b>1,845,343</b>	<b>1,845,227</b>	<b>116</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,716,843)</b>	<b>(1,716,843)</b>	<b>(1,715,607)</b>	<b>1,236</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	1,716,843	1,716,843	1,714,516	(2,327)
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,716,843</b>	<b>1,716,843</b>	<b>1,714,516</b>	<b>(2,327)</b>
<b>Net Changes in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(1,091)</b>	<b>(1,091)</b>
<b>Fund Balances - Beginning</b>	<b>2,156,952</b>	<b>2,156,952</b>	<b>2,156,952</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 2,156,952</b>	<b>\$ 2,156,952</b>	<b>\$ 2,155,861</b>	<b>\$ (1,091)</b>

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**NONMAJOR PROPRIETARY FUNDS**  
Enterprise Funds

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## **COUNTY OF NEVADA, CALIFORNIA NONMAJOR ENTERPRISE FUNDS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Nonmajor enterprise funds of the County are listed below:

- **EASTERN NEVADA COUNTY SOLID WASTE**

Fund accounts for the solid waste support services in Eastern Nevada County. Includes administration of refuse collection franchise in Eastern Nevada County. Fees collected from property owners in unincorporated Eastern Nevada County and used for residential refuse collection, recycling, and disposal activities. Also used to administer the Hirschdale Landfill closure and provide post-closure monitoring services.

- **TRANSIT SERVICES**

Fund accounts for administration and delivery of public transit and paratransit services, primarily in Western Nevada County. Includes the Gold Country Stage, a fixed-route system serving Western Nevada County, and administers a contract for provision of specialized paratransit services for disabled persons. Also used to account for participation in the Truckee-North Tahoe Transportation management Association, a public-private partnership working to improve transportation in the Truckee-Tahoe area.

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**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2008**

	Eastern Nevada County Solid Waste	Transit Services	Totals
<b><u>ASSETS</u></b>			
Current Assets			
Cash and investments	\$ 290,776	\$ 1,667,786	\$ 1,958,562
Accounts receivable (net of allowance)	-	158,602	158,602
Due from other governmental agencies	-	137,175	137,175
Due from other funds	-	6,163	6,163
Inventory	-	1,723	1,723
<b>Total Current Assets</b>	<b>290,776</b>	<b>1,971,449</b>	<b>2,262,225</b>
Noncurrent Assets			
Capital assets:			
Non-depreciable	26,409	-	26,409
Depreciable (net)	-	693,045	693,045
<b>Total Noncurrent Assets</b>	<b>26,409</b>	<b>693,045</b>	<b>719,454</b>
<b>Total Assets</b>	<b>317,185</b>	<b>2,664,494</b>	<b>2,981,679</b>
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Accounts payable	-	329,419	329,419
Accrued salaries and benefits	-	57,196	57,196
Due to other funds	709	62,927	63,636
Unearned revenue	-	1,695,897	1,695,897
Compensated absences payable	-	71,803	71,803
Closure/postclosure costs	3,000	-	3,000
<b>Total Current Liabilities</b>	<b>3,709</b>	<b>2,217,242</b>	<b>2,220,951</b>
Noncurrent Liabilities			
Closure/postclosure costs	111,069	-	111,069
<b>Total Noncurrent Liabilities</b>	<b>111,069</b>	<b>-</b>	<b>111,069</b>
<b>Total Liabilities</b>	<b>114,778</b>	<b>2,217,242</b>	<b>2,332,020</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	26,409	693,045	719,454
Unrestricted	175,998	(245,793)	(69,795)
<b>Total Net Assets</b>	<b>\$ 202,407</b>	<b>\$ 447,252</b>	<b>\$ 649,659</b>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Eastern Nevada County Solid Waste	Transit Services	Totals
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 112,302	\$ 519,658	\$ 631,960
<b>Operating Revenues</b>	<u>112,302</u>	<u>519,658</u>	<u>631,960</u>
<b><u>OPERATING EXPENSES</u></b>			
Salaries and benefits	-	1,562,714	1,562,714
Services and supplies	114,774	1,921,578	2,036,352
Benefit and claim expense	-	6,477	6,477
Other charges	2,397	82,339	84,736
Expenditure transfers	7,345	49,067	56,412
Closure/post closure expense	2,999	-	2,999
Depreciation	-	214,039	214,039
<b>Operating Expenses</b>	<u>127,515</u>	<u>3,836,214</u>	<u>3,963,729</u>
<b>Operating Income (Loss)</b>	<u>(15,213)</u>	<u>(3,316,556)</u>	<u>(3,331,769)</u>
<b><u>NON-OPERATING REVENUE (EXPENSES)</u></b>			
Taxes and assessments	-	2,631,865	2,631,865
Intergovernmental revenues	-	874,324	874,324
Interest income	12,268	39,688	51,956
Other revenues	-	2,077	2,077
Interest expense	-	3,332	3,332
<b>Total Non-operating Revenues (Expenses)</b>	<u>12,268</u>	<u>3,551,286</u>	<u>3,563,554</u>
<b>Income (Loss) Before Transfers</b>	<u>(2,945)</u>	<u>234,730</u>	<u>231,785</u>
Transfers in	-	-	-
Transfers out	-	-	-
<b>Change in Net Assets</b>	<u>(2,945)</u>	<u>234,730</u>	<u>231,785</u>
<b>Net Assets - Beginning</b>	<u>205,352</u>	<u>212,522</u>	<u>417,874</u>
<b>Net Assets - Ending</b>	<u>\$ 202,407</u>	<u>\$ 447,252</u>	<u>\$ 649,659</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Eastern Nevada County Solid Waste	Transit Services	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers	\$ 112,302	\$ 414,362	\$ 526,664
Payments to suppliers	(124,516)	(1,801,361)	(1,925,877)
Payments to employees	-	(1,547,386)	(1,547,386)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(12,214)</u>	<u>(2,934,385)</u>	<u>(2,946,599)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>			
Grants and other receipts	-	5,021,990	5,021,990
Interfund loans received	-	3,327	3,327
Interfund loans made	-	(8,393)	(8,393)
Interfund loans repaid	(643)	(34,379)	(35,022)
<b>Net Cash Provided (Used) for Noncapital Financing Activities</b>	<u>(643)</u>	<u>4,982,545</u>	<u>4,981,902</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition of capital assets	-	(463,937)	(463,937)
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<u>-</u>	<u>(463,937)</u>	<u>(463,937)</u>
<b><u>CASH FLOWS FROM INVESTMENT ACTIVITIES</u></b>			
Interest and dividends (expense)	12,268	39,688	51,956
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>12,268</u>	<u>39,688</u>	<u>51,956</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(589)	1,623,911	1,623,322
<b>Balances - Beginning of the Year</b>	291,365	43,875	335,240
<b>Balances - End of the Year</b>	<u>\$ 290,776</u>	<u>\$ 1,667,786</u>	<u>\$ 1,958,562</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>			
Operating income (loss)	\$ (15,213)	\$ (3,316,556)	\$ (3,331,769)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	214,039	214,039
Decrease (Increase) in:			
Accounts receivable	-	(105,296)	(105,296)
Inventory	-	4,534	4,534
Increase (Decrease) in:			
Accounts payable	-	253,566	253,566
Accrued salaries and benefits	-	7,301	7,301
Compensated absences payable	-	8,027	8,027
Closure/post closure	2,999	-	2,999
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (12,214)</u>	<u>\$ (2,934,385)</u>	<u>\$ (2,946,599)</u>

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## **INTERNAL SERVICE FUNDS**

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## **COUNTY OF NEVADA, CALIFORNIA INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

- **FLEET MANAGEMENT**  
The fund accounts for the management of a program to ensure that both current and future vehicle needs are met for all County departments.
- **VISION INSURANCE**  
The fund accounts for the vision insurance component of the self-insurance services provided to County employees.
- **UNEMPLOYMENT INSURANCE**  
The fund accounts for the management of unemployment insurance for the County's self-funded plan.
- **LIABILITY INSURANCE**  
The fund accounts for the services related to the protection of the County from general liability exposures. It provides claims management services, and pays the premium costs for general liability insurance.
- **CENTRAL SERVICES**  
The fund accounts for printing, copier, mail, pool car scheduling, answering the County information line, and scanning services provided to County departments and outside agencies.
- **DENTAL INSURANCE**  
The fund accounts for the dental insurance component of the self-insurance services provided to County employees.

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**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2008**

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<b><u>ASSETS</u></b>				
Current Assets				
Cash and investments	\$ 356,430	\$ 85,309	\$ 764,709	\$ 1,972,833
Accounts receivable	916	1,949	-	100
Due from other funds	455,642	-	-	-
Prepaid costs	-	-	-	-
Inventory	72,016	-	-	-
Deposits	-	-	-	-
<b>Total Current Assets</b>	<b>885,004</b>	<b>87,258</b>	<b>764,709</b>	<b>1,972,933</b>
Noncurrent Assets				
Capital assets:				
Depreciable (net)	1,415,299	-	-	-
<b>Total Noncurrent Assets</b>	<b>1,415,299</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>2,300,303</b>	<b>87,258</b>	<b>764,709</b>	<b>1,972,933</b>
<b><u>LIABILITIES</u></b>				
Current Liabilities				
Accounts payable	255,002	14,942	-	7,402
Accrued salaries and benefits	33,058	-	-	-
Due to other funds	140,693	-	-	47,498
Unearned revenues	230,234	-	-	-
Compensated absences payable	77,177	-	-	-
Capital leases payable	-	-	-	-
Accrued claims payable	-	-	338,191	503,000
<b>Total Current Liabilities</b>	<b>736,164</b>	<b>14,942</b>	<b>338,191</b>	<b>557,900</b>
Noncurrent Liabilities				
Capital leases payable	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>736,164</b>	<b>14,942</b>	<b>338,191</b>	<b>557,900</b>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	1,415,299	-	-	-
Unrestricted	148,840	72,316	426,518	1,415,033
<b>Total Net Assets</b>	<b>\$ 1,564,139</b>	<b>\$ 72,316</b>	<b>\$ 426,518</b>	<b>\$ 1,415,033</b>

<u>Central Services</u>	<u>Dental Insurance</u>	<u>Totals</u>
\$ 35,657	\$ 187,629	\$ 3,402,567
1,093	8,631	12,689
32,563	-	488,205
18,911	-	18,911
-	-	72,016
-	35,000	35,000
<u>88,224</u>	<u>231,260</u>	<u>4,029,388</u>
15,246	-	1,430,545
<u>15,246</u>	<u>-</u>	<u>1,430,545</u>
<u>103,470</u>	<u>231,260</u>	<u>5,459,933</u>
83,999	45,455	406,800
1,977	-	35,035
11,922	-	200,113
-	-	230,234
258	-	77,435
5,281	-	5,281
-	-	841,191
<u>103,437</u>	<u>45,455</u>	<u>1,796,089</u>
<u>10,998</u>	<u>-</u>	<u>10,998</u>
<u>10,998</u>	<u>-</u>	<u>10,998</u>
<u>114,435</u>	<u>45,455</u>	<u>1,807,087</u>
(1,033)	-	1,414,266
<u>(9,932)</u>	<u>185,805</u>	<u>2,238,580</u>
<u>\$ (10,965)</u>	<u>\$ 185,805</u>	<u>\$ 3,652,846</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 4,649,049	\$ 182,879	\$ 131,076	\$ 698,156
<b>Total Operating Revenues</b>	<u>4,649,049</u>	<u>182,879</u>	<u>131,076</u>	<u>698,156</u>
<b><u>OPERATING EXPENSES</u></b>				
Salaries and benefits	914,274	-	-	-
Services and supplies	2,950,626	33,218	124,090	662,777
Benefit and claim expense	-	156,384	133,676	18,435
Other charges	55,844	2,182	4,219	(46,851)
Expenditure transfers	45,228	-	-	77,189
Depreciation	418,494	-	-	-
<b>Total Operating Expenses</b>	<u>4,384,466</u>	<u>191,784</u>	<u>261,985</u>	<u>711,550</u>
<b>Operating Income (Loss)</b>	<u>264,583</u>	<u>(8,905)</u>	<u>(130,909)</u>	<u>(13,394)</u>
<b><u>NON-OPERATING REVENUE (EXPENSES)</u></b>				
Forfeitures and penalties	10,953	-	-	-
Interest income	12,561	4,059	33,325	77,956
Other revenues	7,209	-	-	3,363
Interest expense	-	-	-	-
Gain (loss) on disposition of capital assets	36,370	-	-	-
<b>Total Non-operating Revenues (Expenses)</b>	<u>67,093</u>	<u>4,059</u>	<u>33,325</u>	<u>81,319</u>
<b>Income (Loss) Before Transfers</b>	<u>331,676</u>	<u>(4,846)</u>	<u>(97,584)</u>	<u>67,925</u>
Capital contribution	140,889	-	-	-
Transfers in	44,728	-	-	-
Transfers out	(16,246)	-	-	-
<b>Change in Net Assets</b>	<u>501,047</u>	<u>(4,846)</u>	<u>(97,584)</u>	<u>67,925</u>
<b>Net Assets - Beginning</b>	<u>1,063,092</u>	<u>77,162</u>	<u>524,102</u>	<u>1,347,108</u>
<b>Net Assets - Ending</b>	<u>\$ 1,564,139</u>	<u>\$ 72,316</u>	<u>\$ 426,518</u>	<u>\$ 1,415,033</u>

<u>Central Services</u>	<u>Dental Insurance</u>	<u>Totals</u>
\$ 827,769	\$ 759,351	\$ 7,248,280
<u>827,769</u>	<u>759,351</u>	<u>7,248,280</u>
59,607	-	973,881
666,663	77,726	4,515,100
-	765,311	1,073,806
40,977	11,652	68,023
53,419	-	175,836
4,892	-	423,386
<u>825,558</u>	<u>854,689</u>	<u>7,230,032</u>
<u>2,211</u>	<u>(95,338)</u>	<u>18,248</u>
-	-	10,953
792	12,732	141,425
45	-	10,617
(1,698)	-	(1,698)
-	-	36,370
<u>(861)</u>	<u>12,732</u>	<u>197,667</u>
1,350	(82,606)	215,915
-	-	140,889
-	-	44,728
-	-	(16,246)
<u>1,350</u>	<u>(82,606)</u>	<u>385,286</u>
<u>(12,315)</u>	<u>268,411</u>	<u>3,267,560</u>
<u>\$ (10,965)</u>	<u>\$ 185,805</u>	<u>\$ 3,652,846</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Receipts from customers	\$ 4,631,077	\$ 188,240	\$ 131,076	\$ 698,056
Payments to suppliers	(2,908,462)	(189,369)	(146,992)	(566,524)
Payments to employees	(893,322)	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>829,293</u>	<u>(1,129)</u>	<u>(15,916)</u>	<u>131,532</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Grants and other receipts	18,162	-	-	3,363
Transfers from other funds	44,728	-	-	-
Transfers to other funds	(16,246)	-	-	-
Interfund loans received	-	-	-	25,667
Interfund loans made	(161,345)	-	-	-
Interfund loans repaid	(155,637)	(9,697)	(11,479)	-
Interfund loan repayments received	-	-	-	162,319
<b>Net Cash Provided (Used) for Noncapital Financing Activities</b>	<u>(270,338)</u>	<u>(9,697)</u>	<u>(11,479)</u>	<u>191,349</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Acquisition of capital assets	(507,196)	-	-	-
Proceeds from sale of capital assets	43,369	-	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
<b>Net Cash Provided (Used) for Capital and Related Financing Activities</b>	<u>(463,827)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>CASH FLOWS FROM INVESTMENT ACTIVITIES</u></b>				
Interest and dividends	<u>12,561</u>	<u>4,059</u>	<u>33,325</u>	<u>77,956</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>12,561</u>	<u>4,059</u>	<u>33,325</u>	<u>77,956</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>107,689</u>	<u>(6,767)</u>	<u>5,930</u>	<u>400,837</u>
<b>Balances - Beginning of the Year</b>	<u>248,741</u>	<u>92,076</u>	<u>758,779</u>	<u>1,571,996</u>
<b>Balances - End of the Year</b>	<u>\$ 356,430</u>	<u>\$ 85,309</u>	<u>\$ 764,709</u>	<u>\$ 1,972,833</u>

Central Services	Dental Insurance	Totals
\$ 827,434	\$ 749,720	\$ 7,225,603
(782,327)	(868,642)	(5,462,316)
(60,266)	-	(953,588)
(15,159)	(118,922)	809,699
45	-	21,570
-	-	44,728
-	-	(16,246)
-	-	25,667
-	-	(161,345)
(120)	(13,520)	(190,453)
30,424	-	192,743
30,349	(13,520)	(83,336)
-	-	(507,196)
-	-	43,369
(4,830)	-	(4,830)
(1,698)	-	(1,698)
(6,528)	-	(470,355)
792	12,732	141,425
792	12,732	141,425
9,454	(119,710)	397,433
26,203	307,339	3,005,134
\$ 35,657	\$ 187,629	\$ 3,402,567

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Fleet Management</u>	<u>Vision Insurance</u>	<u>Unemployment Insurance</u>	<u>Liability Insurance</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Operating income (loss)	\$ 264,583	\$ (8,905)	\$ (130,909)	\$ (13,394)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	418,494	-	-	-
Decrease (Increase) in:				
Accounts receivable	709	(1,949)	-	(100)
Deposits	-	7,310	-	-
Prepaid costs	(14,095)	-	-	101,870
Increase (Decrease) in:				
Accounts payable	157,331	2,415	-	6,156
Accrued salaries and benefits	5,929	-	-	-
Unearned revenue	15,023	-	-	-
Compensated absences payable	(18,681)	-	-	-
Claims payable	-	-	114,993	37,000
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 829,293</u></b>	<b><u>\$ (1,129)</u></b>	<b><u>\$ (15,916)</u></b>	<b><u>\$ 131,532</u></b>
<b><u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u></b>				
Contribution of capital assets from governmental activities	140,889	-	-	-



<u>Central Services</u>	<u>Dental Insurance</u>	<u>Totals</u>
\$ 2,211	\$ (95,338)	\$ 18,248
4,892	-	423,386
(335)	(8,631)	(10,306)
-	(1,000)	6,310
(8,605)	-	79,170
(12,663)	(13,953)	139,286
283	-	6,212
-	-	15,023
(942)	-	(19,623)
-	-	151,993
<u>\$ (15,159)</u>	<u>\$ (118,922)</u>	<u>\$ 809,699</u>

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**FIDUCIARY FUNDS**

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## **COUNTY OF NEVADA, CALIFORNIA FIDUCIARY FUNDS**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Fiduciary funds include investment trust funds and agency funds.

- **INVESTMENT TRUST FUNDS**

The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of five separate funds; Special Districts governed by Local Boards, School Districts, School Districts Debt Service, Courts and Jury/Witness and Local Transportation Authority. These funds account for assets, primarily cash and investments in the County's investment pool, owned by legally separate entities such as school and community colleges, special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities. The County is obligated to disburse monies from these funds on demand.

- **AGENCY FUNDS**

To account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include two separate components.

Accrued Trust Funds - Accounts for property tax receipts awaiting apportionment to other local governmental agencies and investment earnings awaiting apportionment to other local government agencies.

County Departmental Agency Funds - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

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**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**INVESTMENT TRUST FUNDS**  
**JUNE 30, 2008**

	<u>Independent Districts</u>	<u>School Districts</u>	<u>Debt Service</u>	<u>Courts and Jury/Witness</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 21,644,644	\$ 34,712,255	\$ 684,397	\$ 1,129,348
Accounts receivable	-	-	-	-
<b>Total Assets</b>	<u>21,644,644</u>	<u>34,712,255</u>	<u>684,397</u>	<u>1,129,348</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET ASSETS</u></b>				
Net assest held in trust for investment pool participants	<u>\$ 21,644,644</u>	<u>\$ 34,712,255</u>	<u>\$ 684,397</u>	<u>\$ 1,129,348</u>



<u>Local Transportation Authority</u>	<u>Total Investment Trust Funds</u>
\$ 6,530,279	\$ 64,700,923
<u>519,800</u>	<u>519,800</u>
7,050,079	65,220,723
 <u>137,370</u>	 <u>137,370</u>
 <u>137,370</u>	 <u>137,370</u>
 <u>\$ 6,912,709</u>	 <u>\$ 65,083,353</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**INVESTMENT TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Independent Districts</u>	<u>School Districts</u>	<u>Debt Service</u>	<u>Courts and Jury/Witness</u>
<b><u>ADDITIONS</u></b>				
Contributions:				
Contributions to investment pool	\$ 83,723,419	\$280,384,579	\$ 5,426,277	\$ 9,486,156
Net investment income:				
Interest income	978,604	1,795,868	29,286	81,231
Net investment income	978,604	1,795,868	29,286	81,231
<b>Total Additions</b>	<b>84,702,023</b>	<b>282,180,447</b>	<b>5,455,563</b>	<b>9,567,387</b>
<b><u>DEDUCTIONS</u></b>				
Distributions from investment pool	85,494,814	281,661,529	5,497,871	9,916,807
<b>Total Deductions</b>	<b>85,494,814</b>	<b>281,661,529</b>	<b>5,497,871</b>	<b>9,916,807</b>
<b>Change in Net Assets</b>	<b>(792,791)</b>	<b>518,918</b>	<b>(42,308)</b>	<b>(349,420)</b>
<b>Net Assets - Beginning</b>	<b>22,437,435</b>	<b>34,193,337</b>	<b>726,705</b>	<b>1,478,768</b>
<b>Net Assets - Ending</b>	<b>\$ 21,644,644</b>	<b>\$ 34,712,255</b>	<b>\$ 684,397</b>	<b>\$ 1,129,348</b>

<u>Local Transportation Authority</u>	<u>Total Investment Trust Funds</u>
\$ 5,599,130	\$ 384,619,561
<u>251,012</u>	<u>3,136,001</u>
<u>251,012</u>	<u>3,136,001</u>
<u>5,850,142</u>	<u>387,755,562</u>
<u>5,759,865</u>	<u>388,330,886</u>
<u>5,759,865</u>	<u>388,330,886</u>
90,277	(575,324)
<u>6,822,432</u>	<u>65,658,677</u>
<u>\$ 6,912,709</u>	<u>\$ 65,083,353</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2008**

	<u>Accrued Trust Funds</u>	<u>County Departmental Agency Funds</u>	<u>Total Agency Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 614,252	\$ 1,438,075	\$ 2,052,327
Restricted cash and investments	58,714	264,302	323,016
Taxes receivable	11,018,559	-	11,018,559
<b>Total Assets</b>	<u>\$ 11,691,525</u>	<u>\$ 1,702,377</u>	<u>\$ 13,393,902</u>
<b><u>LIABILITIES</u></b>			
Due to other agencies	\$ 8,902,179	\$ -	\$ 8,902,179
Agency obligations	2,789,346	1,702,377	4,491,723
<b>Total Liabilities</b>	<u>\$ 11,691,525</u>	<u>\$ 1,702,377</u>	<u>\$ 13,393,902</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>ACCRUED TRUST FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,030,464	\$ 8,902,179	\$ 10,318,391	\$ 614,252
Restricted cash and investments	56,885	1,829	-	58,714
Taxes receivable	9,702,657	1,315,902	-	11,018,559
<b>Total Assets</b>	<b>\$ 11,790,006</b>	<b>\$ 10,219,910</b>	<b>\$ 10,318,391</b>	<b>\$ 11,691,525</b>
<b>LIABILITIES</b>				
Due to other agencies	\$ -	\$ 8,902,179	\$ -	\$ 8,902,179
Due to other funds	7,850,032	-	7,850,032	-
Agency Obligations	3,939,974	-	1,150,628	2,789,346
<b>Total Liabilities</b>	<b>\$ 11,790,006</b>	<b>\$ 8,902,179</b>	<b>\$ 9,000,660</b>	<b>\$ 11,691,525</b>
<b>COUNTY DEPARTMENTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,207,102	\$ 230,973	\$ -	\$ 1,438,075
Restricted cash and investments	176,574	87,728	-	264,302
<b>Total Assets</b>	<b>\$ 1,383,676</b>	<b>\$ 318,701</b>	<b>\$ -</b>	<b>\$ 1,702,377</b>
<b>LIABILITIES</b>				
Agency obligations	\$ 1,383,676	\$ 318,701	\$ -	\$ 1,702,377
<b>Total Liabilities</b>	<b>\$ 1,383,676</b>	<b>\$ 318,701</b>	<b>\$ -</b>	<b>\$ 1,702,377</b>
<b>TOTAL FIDUCIARY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,237,566	\$ 9,133,152	\$ 10,318,391	\$ 2,052,327
Restricted cash and investments	233,459	89,557	-	323,016
Taxes receivable	9,702,657	1,315,902	-	11,018,559
<b>Total Assets</b>	<b>\$ 13,173,682</b>	<b>\$ 10,538,611</b>	<b>\$ 10,318,391</b>	<b>\$ 13,393,902</b>
<b>LIABILITIES</b>				
Due to other agencies	\$ -	\$ 8,902,179	\$ -	\$ 8,902,179
Due to other funds	7,850,032	-	7,850,032	-
Agency Obligations	5,323,650	318,701	1,150,628	4,491,723
<b>Total Liabilities</b>	<b>\$ 13,173,682</b>	<b>\$ 9,220,880</b>	<b>\$ 9,000,660</b>	<b>\$ 13,393,902</b>

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## STATISTICAL SECTION

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## **COUNTY OF NEVADA, CALIFORNIA STATISTICAL SECTION**

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

- **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

- **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

- **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

- **Operating Information**

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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**COUNTY OF NEVADA, CALIFORNIA**  
**NET ASSETS BY COMPONENT**  
**LAST SIX FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 232,657,259	\$ 232,785,139	\$ 233,807,949	\$ 237,770,629
Restricted	3,864,404	31,297,665	37,995,142	39,102,881
Unrestricted	38,043,501	7,289,217	7,894,253	9,932,618
Total governmental activities net assets	<u>\$ 274,565,164</u>	<u>\$ 271,372,021</u>	<u>\$ 279,697,344</u>	<u>\$ 286,806,128</u>
<b>Business-type Activities</b>				
Invested in capital assets, net of related debt	\$ 8,541,197	\$ 7,656,180	\$ 8,608,896	\$ 10,949,954
Unrestricted	1,277,886	(1,692,003)	(519,455)	142,603
Total business-type activities net assets	<u>\$ 9,819,083</u>	<u>\$ 5,964,177</u>	<u>\$ 8,089,441</u>	<u>\$ 11,092,557</u>
<b>Primary Government</b>				
Invested in capital assets, net of related debt	\$ 241,198,456	\$ 240,441,319	\$ 242,416,845	\$ 248,720,583
Restricted	3,864,404	31,297,665	37,995,142	39,102,881
Unrestricted	39,321,387	5,597,214	7,374,798	10,075,221
Total primary government net assets	<u>\$ 284,384,247</u>	<u>\$ 277,336,198</u>	<u>\$ 287,786,785</u>	<u>\$ 297,898,685</u>

**Note:** Accrual-basis financial information for the county government as a whole is available back to 2002/03 only, the year GASB Statement 34 was implemented.

**Source:** Comprehensive Annual Financial Reports - County of Nevada, California

<u>2006/2007</u>	<u>2007/2008</u>
\$ 238,955,459	\$ 240,377,169
40,643,025	38,274,175
14,297,129	15,395,845
<u>\$ 293,895,613</u>	<u>\$ 294,047,189</u>
\$ 17,773,325	\$ 25,611,733
650,031	(654,360)
<u>\$ 18,423,356</u>	<u>\$ 24,957,373</u>
\$ 256,728,784	\$ 265,988,902
40,643,025	38,274,175
14,947,160	14,741,485
<u>\$ 312,318,969</u>	<u>\$ 319,004,562</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General government	\$ 25,291,032	\$ 11,633,754	\$ 8,938,435	\$ 11,249,361
Public ways and facilities	7,262,903	6,810,806	6,312,601	8,513,880
Public protection	28,820,570	40,081,096	43,150,103	45,190,677
Health and sanitation	13,579,832	16,297,053	16,151,498	18,470,443
Public assistance	31,787,977	21,127,891	21,271,351	22,393,216
Education	2,343,855	2,734,576	2,471,046	2,865,584
Recreation	-	-	11,126	51,729
Interest on long-term debt	850,537	1,006,952	757,523	855,225
<b>Total Governmental Activities Expenses</b>	<b>109,936,706</b>	<b>99,692,128</b>	<b>99,063,683</b>	<b>109,590,115</b>
<b>Business-type Activities</b>				
Eastern Nevada County Solid Waste	1,397,691	151,529	345,238	111,396
Western Nevada County Solid Waste	4,857,721	8,487,113	5,971,008	6,538,648
Transit Services	3,123,973	2,958,054	2,874,082	3,088,462
Airport	897,783	946,411	1,035,399	1,137,542
Sanitation District	4,915,869	3,068,942	3,331,819	4,037,253
<b>Total Business-Type Activities Expenses</b>	<b>15,193,037</b>	<b>15,612,049</b>	<b>13,557,546</b>	<b>14,913,301</b>
<b>Total Primary Government Expenses</b>	<b>\$ 125,129,743</b>	<b>\$ 115,304,177</b>	<b>\$ 112,621,229</b>	<b>\$ 124,503,416</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for services:				
General government	\$ 10,813,766	\$ 9,237,614	\$ 6,338,047	\$ 6,232,111
Public ways and facilities	1,602,653	1,461,163	1,240,364	1,440,008
Public protection	2,867,404	6,253,050	6,121,598	6,364,587
Health and sanitation	511,121	1,892,426	2,269,265	2,267,470
Public assistance	3,101,448	51,856	57,583	47,007
Education	74,551	82,294	92,298	94,848
Recreation	-	-	-	-
Operating grants and contributions	53,575,635	51,931,440	55,728,641	58,599,661
Capital grants and contributions	1,437,252	-	-	2,296,519
<b>Total Governmental Activities Program Revenues</b>	<b>73,983,830</b>	<b>70,909,843</b>	<b>71,847,796</b>	<b>77,342,211</b>
<b>Business-Type Activities:</b>				
Charges for services:				
Eastern Nevada County Solid Waste	1,101,826	93,225	98,145	102,312
Western Nevada County Solid Waste	6,377,927	7,270,335	7,400,950	7,753,931
Transit Services	390,174	333,453	309,693	480,601
Airport	636,150	545,262	548,488	618,549
Sanitation District	4,115,772	2,159,899	3,818,931	3,509,905
Operating grants and contributions	566,522	2,396,154	2,787,415	2,633,921
Capital grants and contributions	-	242,664	-	2,179,464
<b>Total Business-Type Activities Program Revenues</b>	<b>13,188,371</b>	<b>13,040,992</b>	<b>14,963,622</b>	<b>17,278,683</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 87,172,201</b>	<b>\$ 83,950,835</b>	<b>\$ 86,811,418</b>	<b>\$ 94,620,894</b>
<b>Net (Expense)/Revenue<sup>1</sup></b>				
Governmental activities	\$ (35,952,876)	\$ (28,782,285)	\$ (27,215,887)	\$ (32,247,904)
Business-type activities	(2,004,666)	(2,571,057)	1,406,076	2,365,382
<b>Total Primary Government Net Expense</b>	<b>\$ (37,957,542)</b>	<b>\$ (31,353,342)</b>	<b>\$ (25,809,811)</b>	<b>\$ (29,882,522)</b>

<sup>1</sup> Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

<u>2006/2007</u>	<u>2007/2008</u>
\$ 12,221,901	\$ 13,734,811
10,077,775	10,455,997
46,998,768	52,982,684
17,680,812	21,056,211
23,173,587	25,413,676
2,541,343	3,015,545
237,357	245,653
832,300	917,161
<u>113,763,843</u>	<u>127,821,738</u>
135,640	127,515
6,935,822	7,369,951
3,253,773	3,858,023
1,282,831	1,441,091
4,502,075	5,191,420
<u>16,110,141</u>	<u>17,988,000</u>
<u>\$ 129,873,984</u>	<u>\$ 145,809,738</u>
\$ 5,497,348	\$ 5,999,606
3,089,154	2,730,449
4,814,608	5,240,057
1,836,658	1,759,838
37,445	59,647
100,167	99,526
476	1,914
56,087,452	63,672,782
54,876	-
<u>71,518,184</u>	<u>79,563,819</u>
108,592	112,302
7,978,217	7,711,070
476,213	519,658
807,131	773,809
6,551,985	5,969,966
475,587	1,039,974
1,380,188	75,636
<u>17,777,913</u>	<u>16,202,415</u>
<u>\$ 89,296,097</u>	<u>\$ 95,766,234</u>
\$ (42,245,659)	\$ (48,257,919)
1,667,772	(1,785,585)
<u>\$ (40,577,887)</u>	<u>\$ (50,043,504)</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year			
	2002/2003	2003/2004	2004/2005	2005/2006
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes				
Property taxes	\$ 15,608,675	\$ 16,319,630	\$ 18,086,143	\$ 27,749,937
Sales and use taxes	4,705,748	5,019,179	5,161,912	5,174,027
Property transfer taxes	1,002,984	1,263,945	1,613,064	1,391,798
Transient occupancy taxes	250,195	261,467	177,605	209,216
Timber yield taxes	102,177	90,609	79,126	79,308
Aircraft taxes	35,292	25,160	33,347	39,497
Franchise taxes	-	-	-	-
Transportation taxes	-	-	-	-
Other taxes	120,836	16,477	16,186	47,251
Grants and contributions - unrestricted	-	-	-	-
Tobacco settlement	-	-	-	-
Motor vehicle in-lieu taxes	13,045,388	-	6,370,271	-
Interest and investment earnings	1,361,759	706,775	967,696	1,133,058
Miscellaneous	5,388,965	2,311,607	3,021,371	2,822,437
Gain (loss) on disposal/sale of capital assets	(80,753)	(1,824,704)	-	-
Transfers	-	(194,839)	-	(51,765)
Total Governmental Activities	<u>41,541,266</u>	<u>23,995,306</u>	<u>35,526,721</u>	<u>38,594,764</u>
Business-type Activities				
Taxes				
Property taxes	2,156	-	4,316	4,746
Transient occupancy taxes	15,970	16,690	11,293	13,013
Timber yield taxes	4,121	-	-	-
Aircraft taxes	34,505	40,357	37,052	32,060
Transportation taxes	-	-	-	-
Other taxes	2,146,743	-	-	-
Interest and investment earnings	367,769	101,956	305,818	391,775
Miscellaneous	305,627	176,546	352,469	813,121
Gain (loss) on disposal/sale of capital assets	(49,445)	-	-	-
Capital contribution	16,163	-	-	-
Transfers	-	194,839	-	51,765
Total Business-Type Activities	<u>2,843,609</u>	<u>530,388</u>	<u>710,948</u>	<u>1,306,480</u>
Total Primary Government	<u>\$ 44,384,875</u>	<u>\$ 24,525,694</u>	<u>\$ 36,237,669</u>	<u>\$ 39,901,244</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 5,588,390	\$ (4,786,979)	\$ 8,310,834	\$ 6,346,860
Business-type activities	838,943	(2,040,669)	2,117,024	3,671,862
Total Primary Government	<u>\$ 6,427,333</u>	<u>\$ (6,827,648)</u>	<u>\$ 10,427,858</u>	<u>\$ 10,018,722</u>

**Note:** Accrual-basis financial information for the county government as a whole is available back to 2002/03 only, the year GASB Statement 34 was implemented.

**Source:** Comprehensive Annual Financial Reports - County of Nevada, California



<u>2006/2007</u>	<u>2007/2008</u>
\$ 31,516,285	\$ 33,565,001
5,532,663	5,065,713
974,171	673,351
275,728	285,205
61,133	52,232
46,546	82,318
969,903	1,013,065
69,309	62,727
33,718	41,288
4,402,323	4,396,990
955,670	1,017,403
-	-
2,412,223	2,441,133
2,724,014	1,032,807
-	800,986
(381,600)	(660,365)
<u>49,592,086</u>	<u>49,869,854</u>
7,009	6,723
16,796	17,920
-	-
40,871	48,611
2,442,000	2,631,864
-	-
1,167,496	1,251,801
1,172,322	1,712,677
-	-
-	-
381,600	660,365
<u>5,228,094</u>	<u>6,329,961</u>
<u>\$ 54,820,180</u>	<u>\$ 56,199,815</u>
\$ 7,346,427	\$ 1,611,935
6,895,866	4,544,376
<u>\$ 14,242,293</u>	<u>\$ 6,156,311</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year			
	1998/1999	1999/2000	2000/2001	2001/2002
General Fund				
Reserved	\$ 1,924,353	\$ 1,919,882	\$ 1,779,113	\$ 2,796,757
Unreserved	3,792,154	6,988,998	9,736,068	11,973,483
Total General Fund	<u>\$ 5,716,507</u>	<u>\$ 8,908,880</u>	<u>\$ 11,515,181</u>	<u>\$ 14,770,240</u>
All Other Governmental Funds				
Reserved	\$ 4,674,677	\$ 4,277,477	\$ 5,381,966	\$ 4,880,754
Unreserved, reported in:				
Special revenue funds	6,957,196	7,679,312	9,037,082	9,799,670
Capital projects funds	1,157,423	595,237	593,149	(344,539)
Total All Other Governmental Funds	<u>\$ 12,789,296</u>	<u>\$ 12,552,026</u>	<u>\$ 15,012,197</u>	<u>\$ 14,335,885</u>

**Note:** The implementation of GASB Statement 34 in fiscal year 2003 resulted in the reclassification of funds from fiduciary to governmental in accordance with the expanded definition of governmental fund types. These and other changes necessitated by the implementation of GASB Statement 34 make the information prior to and after the implementation incomparable.

**Source:** Comprehensive Annual Financial Reports - County of Nevada, California

<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008</u>
\$ 1,352,840	\$ 775,788	\$ 808,498	\$ 1,150,883	\$ 685,415	\$ 367,172
11,914,079	9,094,403	10,465,538	11,373,937	15,271,699	18,363,975
<u>\$ 13,266,919</u>	<u>\$ 9,870,191</u>	<u>\$ 11,274,036</u>	<u>\$ 12,524,820</u>	<u>\$ 15,957,114</u>	<u>\$ 18,731,147</u>
\$ 5,653,048	\$ 5,174,723	\$ 5,156,484	\$ 6,175,208	\$ 6,529,825	\$ 7,319,385
23,196,620	26,321,052	32,838,658	32,927,673	34,113,200	30,954,790
<u>\$ 28,849,668</u>	<u>\$ 31,495,775</u>	<u>\$ 37,995,142</u>	<u>\$ 39,102,881</u>	<u>\$ 40,643,025</u>	<u>\$ 38,274,175</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year			
	1998/1999	1999/2000	2000/2001	2001/2002
<b>Revenues</b>				
Taxes and assessments	\$ 15,917,346	\$ 17,588,551	\$ 18,933,436	\$ 19,705,093
Licenses and permits	1,656,858	2,092,492	1,845,620	2,166,166
Fines and forfeitures	3,820,406	3,067,764	2,824,558	2,415,210
Use of money and property	1,258,971	1,386,006	2,200,365	1,992,882
Intergovernmental	39,300,832	42,692,596	55,422,084	55,952,099
Charges for services	13,713,103	13,482,420	15,745,316	17,778,546
Other revenues	520,674	2,167,607	1,632,575	3,852,985
<b>Total Revenues</b>	<b>76,188,190</b>	<b>82,477,436</b>	<b>98,603,954</b>	<b>103,862,981</b>
<b>Expenditures</b>				
Current:				
General government	10,769,710	8,463,501	10,025,813	9,391,872
Public ways and facilities	11,345,562	9,013,637	9,333,162	9,688,155
Public protection	21,223,105	25,028,831	22,224,399	22,452,884
Health and sanitation	15,423,886	16,797,052	17,720,818	17,876,014
Public assistance	13,118,291	13,850,146	24,638,809	27,642,882
Education	1,088,255	1,848,994	1,940,160	2,103,661
Recreation	69,101	85,717	-	-
Debt service				
Principal	874,291	1,273,867	985,837	3,406,505
Interest and other charges	1,364,656	1,409,052	1,270,136	1,191,075
Capital outlay	1,444,029	2,660,071	5,670,129	9,271,333
<b>Total Expenditures</b>	<b>76,720,886</b>	<b>80,430,868</b>	<b>93,809,263</b>	<b>103,024,381</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(532,696)</b>	<b>2,046,568</b>	<b>4,794,691</b>	<b>838,600</b>
<b>Other Financial Sources (Uses)</b>				
Transfers in	3,251,092	4,535,646	5,094,779	5,593,541
Transfers out	(3,001,377)	(4,670,367)	(5,147,878)	(6,039,372)
Issuance of debt	628,116	290,479	302,934	23,425
Sale of capital assets	-	-	-	-
Refunding bond proceeds	-	-	-	21,007,538
Payments to refunding agents	-	-	-	(18,844,986)
<b>Total Other Financial Sources (Uses)</b>	<b>877,831</b>	<b>155,758</b>	<b>249,835</b>	<b>1,740,146</b>
<b>Net Change in Fund Balances</b>	<b>\$ 345,135</b>	<b>\$ 2,202,326</b>	<b>\$ 5,044,526</b>	<b>\$ 2,578,746</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>2.97%</b>	<b>3.45%</b>	<b>2.56%</b>	<b>4.90%</b>

**Note:** The implementation of GASB Statement 34 in fiscal year 2003 resulted in the reclassification of funds from fiduciary to governmental in accordance with the expanded definition of governmental fund types. These and other changes necessitated by the implementation of GASB Statement 34 make the information prior to and after the implementation incomparable.

**Source:** Comprehensive Annual Financial Reports - County of Nevada, California

2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
\$ 21,469,815	\$ 22,905,858	\$ 25,088,257	\$ 34,611,724	38,448,420	\$ 39,775,603
2,225,703	2,774,001	2,874,129	3,022,441	2,679,837	2,820,297
2,305,652	2,501,164	2,309,855	2,413,690	2,608,195	3,082,100
1,257,561	737,365	910,938	1,069,389	2,270,340	2,299,709
66,165,210	56,088,533	62,113,922	58,565,763	59,710,966	67,333,232
14,314,796	13,662,339	10,863,316	10,660,695	11,413,424	11,011,305
5,388,965	2,315,425	3,113,455	2,932,392	4,535,271	2,749,331
113,127,702	100,984,685	107,273,872	113,276,094	121,666,453	129,071,577
23,918,121	11,621,634	8,073,099	10,282,276	11,762,482	12,661,374
8,735,672	7,066,320	7,057,898	7,866,131	9,314,841	9,157,960
28,452,202	38,980,426	41,882,092	44,681,028	46,847,156	51,447,097
13,362,630	16,142,128	15,997,064	18,385,159	17,636,022	20,727,217
30,919,280	21,345,769	21,158,790	22,377,705	23,178,066	25,151,091
2,310,954	2,654,324	2,442,534	2,810,092	2,516,991	2,888,369
-	-	11,126	51,729	237,357	245,653
1,495,425	1,325,751	1,359,618	1,743,241	1,049,571	1,044,532
850,537	807,979	766,252	826,604	894,794	866,739
960,649	2,963,833	655,983	5,915,357	3,514,952	4,621,251
111,005,470	102,908,164	99,404,456	114,939,322	116,952,232	128,811,283
2,122,232	(1,923,479)	7,869,416	(1,663,228)	4,714,221	260,294
17,262,307	23,912,010	25,848,038	28,485,767	26,169,015	29,394,303
(17,262,307)	(24,322,269)	(25,855,413)	(28,554,016)	(26,240,706)	(30,083,150)
68,671	-	26,682	4,090,000	329,908	32,750
-	-	-	-	-	800,986
-	-	-	-	-	-
-	-	-	-	-	-
68,671	(410,259)	19,307	4,021,751	258,217	144,889
\$ 2,190,903	\$ (2,333,738)	\$ 7,888,723	\$ 2,358,523	\$ 4,972,438	\$ 405,183
2.13%	2.13%	2.15%	2.36%	1.71%	1.54%

**COUNTY OF NEVADA, CALIFORNIA**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Secured Real Property</b>	<b>Unsecured Personal Property</b>	<b>Total Secured and Unsecured<sup>2</sup></b>	<b>Less: Exemptions</b>	<b>Total Taxable Assessed Value<sup>1</sup></b>	<b>Total Direct Tax Rate</b>
1998/1999	7,128,134,251	210,613,780	7,338,748,031	253,024,744	7,085,723,287	1.00%
1999/2000	7,492,298,257	221,593,583	7,713,891,840	251,743,454	7,462,148,386	1.00%
2000/2001	7,896,507,808	230,969,058	8,127,476,866	264,939,154	7,862,537,712	1.00%
2001/2002	8,833,385,724	255,954,266	9,089,339,990	212,058,149	8,877,281,841	1.00%
2002/2003	9,593,595,384	251,989,513	9,845,584,897	328,852,728	9,516,732,169	1.00%
2003/2004	10,489,020,503	245,890,683	10,734,911,186	354,262,482	10,380,648,704	1.00%
2004/2005	11,378,385,878	255,638,057	11,634,023,935	359,974,676	11,274,049,259	1.00%
2005/2006	12,798,167,869	310,443,412	13,108,611,281	407,602,510	12,701,008,771	1.00%
2006/2007	14,435,619,000	335,221,841	14,770,840,841	421,389,982	14,349,450,859	1.00%
2007/2008	15,784,303,555	363,067,090	16,147,370,645	429,377,178	15,717,993,467	1.00%

<sup>1</sup>Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value that appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

- a) annual inflation up to 2 percent;
- b) current market value at time of ownership change;
- c) market value for new construction.

<sup>2</sup>Includes aircrafts

**Note:** Estimated actual value of taxable property cannot easily be determined as property in the County is not reassessed annually, reassessment normally occurs when ownership changes.

**Source:** Nevada County Auditor-Controller's Office

**COUNTY OF NEVADA, CALIFORNIA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES<sup>1</sup>**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Basic Countywide Rate<sup>2</sup></u>	<u>Schools</u>	<u>Special Districts</u>	<u>Total Rate</u>
1998/1999	1.00000	0.01860	0.08090	1.09950
1999/2000	1.00000	0.01370	0.08640	1.10010
2000/2001	1.00000	0.05250	0.06520	1.11770
2001/2002	1.00000	0.02960	0.05710	1.08670
2002/2003	1.00000	0.05680	0.04350	1.10030
2003/2004	1.00000	0.04230	0.05530	1.09760
2004/2005	1.00000	0.03640	0.05960	1.09600
2005/2006	1.00000	0.08770	0.03280	1.12050
2006/2007	1.00000	0.08140	0.02670	1.10810
2007/2008	1.00000	0.07410	0.02480	1.09890

<sup>1</sup> On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978 or any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the voting public.

<sup>2</sup> Proposition 13 allows each county to levy a maximum of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.

Source: Nevada County Auditor-Controller annual tax rate schedule prepared in accordance with Government Code Section 29100.

**COUNTY OF NEVADA, CALIFORNIA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND EIGHT YEARS AGO**

Fiscal Year 2007/2008			Fiscal Year 1999/2000 <sup>1</sup>		
Taxpayer	Amount	Percentage of Total	Taxpayer	Amount	Percentage of Total
<b>Secured Taxes</b>			<b>Secured Taxes</b>		
Gray's Station, LLC	\$ 1,126,614	0.62%	First Commercial Bank	\$ 509,460	0.63%
Old Greenwood, LLC etal	869,342	0.48%	Tektronix, Inc.	426,122	0.53%
Tahoe Club Company, LLC	432,302	0.24%	Western/Kienow LP, et al	289,996	0.36%
Western/Kienow LP etal	265,390	0.15%	GVSC, LLC	124,082	0.15%
Truckee Pacific Assoc.	221,094	0.12%	Town & Country	122,942	0.15%
Hidden Lake Properties Inc.	214,214	0.12%	Sierra Pacific Industries	110,554	0.14%
Ninety Five Ten	167,390	0.09%	Ranch Development Assoc.	90,875	0.11%
Old Greenwood, LLC	165,857	0.09%	Siskono Gold Corp.	69,201	0.09%
Quail Lake Estates Assoc. LP	157,688	0.09%	Ananda Church of Self Realization	67,213	0.08%
JMA NC LLC	150,879	0.08%	Gold County Ranch, Inc	66,283	0.08%
<b>Total</b>	<b>\$ 3,770,770</b>	<b>2.07%</b>	<b>Total</b>	<b>\$ 1,876,728</b>	<b>2.34%</b>
<b>Total Secured Taxes Levied</b>		<b>\$182,095,672</b>	<b>Total Secured Taxes Levied</b>		<b>\$ 80,247,724</b>
<b>Unsecured Taxes</b>			<b>Unsecured Taxes</b>		
Cequel III Communications, LLC	\$ 120,867	3.21%	Boreal Ridge Corp	\$ 95,160	4.03%
Comcast of California IX Inc.	114,346	3.04%	TCI Cablevision of California, Inc.	79,160	3.35%
Boreal Ridge Corp.	73,260	1.95%	Welstar Communications, Inc.	57,451	2.43%
Canavan, Gerald A	67,982	1.81%	Tahoe Donner Property Owner's Assoc.	52,608	2.23%
Truckee Meadows Water Authority	65,428	1.74%	Welstar Communications	47,051	1.99%
Teichert A & Son	58,423	1.55%	Robinson Enterprises, Inc.	39,535	1.67%
Grass Valley, Inc.	45,539	1.21%	Teichert, A. & Son	37,913	1.60%
Manuel Brothers Inc.	39,733	1.06%	Innovative Metal Fabrication, Inc.	35,396	1.50%
Tahoe Donner Property Owners Assoc.	37,845	1.01%	Manuel Brothers, Inc.	33,649	1.42%
Tahoe Club Company, LLC	32,053	0.85%	Lucky Stores, Inc.	33,383	1.41%
<b>Total</b>	<b>\$ 655,476</b>	<b>17.41%</b>	<b>Total</b>	<b>\$ 511,306</b>	<b>21.63%</b>
<b>Total Unsecured Taxes Levied</b>		<b>\$ 3,764,991</b>	<b>Total Unsecured Taxes Levied</b>		<b>\$ 2,363,449</b>
<b>Public Utility Taxes</b>			<b>Public Utility Taxes</b>		
Pacific Gas & Electric	\$ 1,556,996	58.96%	Pacific Gas & Electric	\$ 1,434,360	52.18%
AT & T California	348,010	13.18%	Pacific Bell	700,834	25.50%
Southwest Gas	225,868	8.55%	Sierra Pacific Power Co.	239,426	8.71%
Sierra Pacific Power	171,061	6.48%	Union Pacific Railroad Company	71,592	2.60%
Verizon Wireless	75,711	2.87%	Southwest Gas, Corp.	68,140	2.48%
Union Pacific Railroad Co.	56,831	2.15%	MCI Worldcom Network Services, Inc.	40,919	1.49%
AT & T Mobility, LLC	49,093	1.86%	AT&T Communications	36,705	1.34%
Nextel of California Inc.	38,348	1.45%	Qwest Communications	32,876	1.20%
SFPP LP	27,680	1.05%	Airtouch Cellular	29,211	1.06%
T-Mobile	22,844	0.87%	SFPP, LP	20,363	0.74%
<b>Total</b>	<b>\$ 2,572,442</b>	<b>97.41%</b>	<b>Total</b>	<b>\$ 2,674,426</b>	<b>97.29%</b>
<b>Total Public Utility Taxes Levied</b>		<b>\$ 2,640,768</b>	<b>Total Public Utility Taxes Levied</b>		<b>\$ 2,748,824</b>

<sup>1</sup> Data for nine years ago is not available. Data for eight years ago, the latest data available is presented.



**COUNTY OF NEVADA, CALIFORNIA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year			Collections within the Fiscal Year of the Levy		Tax Levies Moved to the Delinquent Roll <sup>2</sup>	Percent Delinquent
	Secured Tax	Unsecured Tax	Total Tax <sup>1</sup>	Amount <sup>1</sup>	Percent of Levy		
1998/1999	77,497,609	2,213,259	79,710,868	74,790,316	93.83%	4,920,552	6.17%
1999/2000	80,247,724	2,363,449	82,611,173	77,734,044	94.10%	4,877,129	5.90%
2000/2001	85,761,041	2,476,757	88,237,798	84,009,298	95.21%	4,228,500	4.79%
2001/2002	94,784,809	2,743,323	97,528,132	95,341,702	97.76%	2,186,431	2.24%
2002/2003	103,919,577	2,729,577	106,649,154	104,402,124	97.89%	2,247,029	2.11%
2003/2004	111,853,346	2,736,467	114,589,813	112,631,407	98.29%	1,958,407	1.71%
2004/2005	125,662,768	2,981,802	128,644,570	126,440,754	98.29%	2,203,816	1.71%
2005/2006	148,443,185	3,403,715	151,846,900	148,913,026	98.07%	2,933,874	1.93%
2006/2007	167,956,273	3,514,488	171,470,761	166,516,529	97.11%	4,954,232	2.89%
2007/2008	182,095,672	3,764,991	185,860,663	179,050,648	96.34%	6,810,016	3.66%

<sup>1</sup>The levy and collection amounts include special assessments, penalties, cost, and any applicable interest. They do not include supplemental taxes. Also, the levy is based on the equalized roll and all escaped assessments and assessor's roll corrections processed within the fiscal year.

<sup>2</sup>This reflects the current levies unpaid at year end. Currently, the County's property tax system does not have the ability to track delinquent collections by the respective year of the levy.

Source: County of Nevada Auditor's and Tax Collector's Office District Summary Reports.

**COUNTY OF NEVADA, CALIFORNIA**  
**RATIOS OF NET OBLIGATION BONDED DEBT TO ASSESSED VALUE**  
**AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities	
	Capital Leases	Certificates of Participation	Loans	Special Assessment Bonds	Total <sup>3</sup>	Certificates of Participation	Special Assessment Debt and Bonds Payable
1998/1999	-	23,175,000	206,551	-	23,381,551	20,895,000	1,578,000
1999/2000	-	22,310,000	142,872	-	22,452,872	20,485,000	1,226,000
2000/2001	-	21,395,000	-	-	21,395,000	20,045,000	934,000
2001/2002	56,176	21,385,000	-	-	21,441,176	30,990,000	621,000
2002/2003	90,492	19,925,000	-	-	20,015,492	10,990,000	535,000
2003/2004	56,156	18,630,000	-	-	18,686,156	10,550,000	478,000
2004/2005	59,216	17,290,000	-	-	17,349,216	10,100,000	417,000
2005/2006	50,259	15,630,000	4,026,634	-	19,706,893	9,640,000	306,000
2006/2007	33,577	14,730,000	3,893,757	329,908	18,987,242	9,165,000	234,000
2007/2008	48,378	13,850,000	3,752,254	320,000	17,970,632	8,675,000	172,000

<sup>1</sup> See Demographic and Economic Indicators schedule for personal income and population data.

<sup>2</sup> See Assessed Value and Actual Value of Taxable Property schedule for property value data.

<sup>3</sup> Includes bonds, notes, certificates of participation, loans and capital leases. Does not include compensated absences, net pension obligations, landfill postclosure costs or claims and judgements.

<sup>4</sup> Amount available for repayment of debt - deposits with agents.

n/a - information is not available

Source: County of Nevada Audited Financial Statements

Loans	Total <sup>3</sup>	Total Primary Government	Less: Amounts Restricted to Repaying Principal <sup>4</sup>	Total	Percentage of Personal Income <sup>1</sup>	Percentage of Actual Value of Taxable Property <sup>2</sup>	Net Bonded Debt per Capita <sup>1</sup>
611,342	23,084,342	46,465,893	(12,417,466)	34,048,427	0.08%	0.48%	375.87
592,298	22,303,298	44,756,170	(11,990,139)	32,766,031	0.09%	0.44%	358.04
692,876	21,671,876	43,066,876	(12,307,578)	30,759,298	0.10%	0.39%	329.46
648,546	32,259,546	53,700,722	(23,171,930)	30,528,792	0.10%	0.34%	321.49
788,345	12,313,345	32,328,837	(3,181,651)	29,147,186	0.11%	0.31%	302.56
562,260	11,590,260	30,276,416	(3,107,181)	27,169,235	0.12%	0.26%	278.24
618,541	11,135,541	28,484,757	(3,107,956)	25,376,801	0.14%	0.23%	257.12
1,072,182	11,018,182	30,725,075	(3,108,472)	27,616,603	0.13%	0.22%	277.86
23,953,580	33,352,580	52,339,822	(3,117,296)	49,222,526	n/a	0.34%	497.07
34,727,112	43,574,112	61,544,744	(3,111,909)	58,432,835	n/a	0.37%	589.12

**COUNTY OF NEVADA, CALIFORNIA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year			
	1998/1999	1999/2000	2000/2001	2001/2002
Total assessed value of all real and personal property <sup>1</sup>	\$7,085,723,287	\$7,462,148,386	\$7,862,537,712	\$8,877,281,841
Debt limit percentage <sup>2</sup>	1.25%	1.25%	1.25%	1.25%
Total debt limit	88,571,541	93,276,855	98,281,721	110,966,023
Amount applicable to debt limit				
General Bonded Debt <sup>3</sup>	46,465,893	44,756,170	43,066,876	53,700,722
Less: Resources Restricted to Repaying Principal	(12,417,466)	(11,990,139)	(12,307,578)	(23,171,930)
Total Net Debt Applicable to Limit	34,048,427	32,766,031	30,759,298	30,528,792
Legal debt margin <sup>4</sup>	\$ 54,523,114	\$ 60,510,824	\$ 67,522,423	\$ 80,437,231
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	38.44%	35.13%	31.30%	27.51%

<sup>1</sup> Assessed value is equal to full cash value.

<sup>2</sup> The legal debt limit is 1.25% of assessed valuation.

<sup>3</sup> General bonded debt includes bonds, notes, certificates of participation, loans and capital leases. Does not include compensated absences, net pension obligations, landfill postclosure costs or claims and judgments.

<sup>4</sup> Legal debt margin is computed by subtracting the County legal general obligation bonded debt from the legal debt limit.

Source: County of Nevada Audited Financial Statements

<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008</u>
\$9,516,732,169	\$10,380,648,704	\$ 11,274,049,259	\$ 12,701,008,771	14,349,450,859	\$ 15,717,993,467
<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>
118,959,152	129,758,109	140,925,616	158,762,610	179,368,136	196,474,918
32,328,837	30,276,416	28,484,757	30,725,075	52,339,822	61,544,744
<u>(3,181,651)</u>	<u>(3,107,181)</u>	<u>(3,107,956)</u>	<u>(3,108,472)</u>	<u>(3,117,296)</u>	<u>(3,111,909)</u>
29,147,186	27,169,235	25,376,801	27,616,603	49,222,526	58,432,835
<u>\$ 89,811,966</u>	<u>\$ 102,588,874</u>	<u>\$ 115,548,815</u>	<u>\$ 131,146,007</u>	<u>\$ 130,145,610</u>	<u>\$ 138,042,083</u>
24.50%	20.94%	18.01%	17.39%	27.44%	29.74%

**COUNTY OF NEVADA, CALIFORNIA  
DEMOGRAPHIC AND ECONOMIC INDICATORS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Personal Income</u>	<u>Civilian Labor Force</u>	<u>Unemployment Rate</u>	<u>Percentage of Population Over 65</u>
1998/1999	90,586	27,409	2,491,475,000	43,540	4.1%	20.2%
1999/2000	91,514	30,544	2,826,443,000	45,430	3.6%	17.5%
2000/2001	93,363	31,590	2,965,263,000	46,860	3.6%	n/a
2001/2002	94,960	31,294	2,975,115,000	48,450	4.5%	n/a
2002/2003	96,334	32,136	3,092,595,000	48,430	4.7%	n/a
2003/2004	97,647	33,957	3,309,043,000	48,830	5.2%	n/a
2004/2005	98,698	35,134	n/a	49,730	5.4%	n/a
2005/2006	99,392	37,020	n/a	50,560	4.3%	n/a
2006/2007	99,026	n/a	n/a	51,200	4.7%	n/a
2007/2008	99,186	n/a	n/a	51,570	6.7%	n/a

n/a - information is not available

**Sources:** Nevada County Economic & Fiscal Indicator Review Report  
State of California Employment Development Department - Labor Market Information Division - [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)  
County of Nevada Annual Budget Book

**COUNTY OF NEVADA, CALIFORNIA**  
**LABOR FORCE AND EMPLOYMENT**  
**CURRENT YEAR AND NINE YEARS AGO**

Fiscal Year 2007/2008		Fiscal Year 1998/1999	
Industry Title	Number of Employees	Employer	Number of Employees
Total, All Industries	30,070	Total, All Industries	26,880
Total Farm	70	Total Farm	210
Total Nonfarm	30,000	Total Nonfarm	26,670
Total Private	24,240	Total Private	20,470
Service Providing	24,410	Service Providing	21,490
Residual -Private Services Providing	18,650	Residual -Private Services Providing	16,380
Goods Producing	5,590	Goods Producing	5,180
Leisure and Hospitality	3,980	Leisure and Hospitality	3,220
Trade, Transportation and Utilities	5,140	Trade, Transportation and Utilities	5,120
Retail Trade	4,130	Retail Trade	4,150
Natural Resources, Mining & Construction	3,510	Natural Resources, Mining & Construction	2,830
Education and Health Services	3,660	Education and Health Services	2,790
Professional and Business Services	2,650	Professional and Business Services	2,630
Manufacturing	2,080	Manufacturing	2,350
Financial Activities	1,620	Financial Activities	1,450
Transportation, Warehousing & Utilities	560	Transportation, Warehousing & Utilities	450
Wholesale Trade	450	Wholesale Trade	520
Information	380	Information	410
Other Services	1,220	Other Services	760
Government	5,760	Government	5,110
Federal Government	420	Federal Government	500
State and Local Government	5,340	State and Local Government	4,610
State Government	410	State Government	600
Local Government	4,930	Local Government	4,010

Source: <http://www.labormarketinfo.edd.ca.gov>

**COUNTY OF NEVADA, CALIFORNIA**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES**  
**BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>As of June 30,</u>			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Public Protection	354.75	383.75	417.25	442.25
Health and Sanitation	109.40	124.90	123.90	125.50
Public Assistance	134.00	142.00	146.50	144.50
Education	27.50	29.50	33.80	37.75
Public Ways and Facilities	118.35	123.35	123.35	126.35
General Government	155.00	176.50	181.00	177.50
Total Full-Time Equivalent Employees	<u>899.00</u>	<u>980.00</u>	<u>1,025.80</u>	<u>1,053.85</u>

Source: Fiscal year beginning authorized personnel staffing resolution (unamended)



2003	2004	2005	2006	2007	2008
427.80	420.80	418.75	421.00	416.50	430.25
130.50	123.95	105.10	108.65	102.65	101.15
146.00	132.50	125.00	125.50	127.50	129.00
39.85	34.20	29.45	29.85	30.10	29.60
127.60	128.60	129.10	116.60	121.10	123.10
179.30	166.30	161.80	171.10	172.80	173.30
1,051.05	1,006.35	969.20	972.70	970.65	986.40

**COUNTY OF NEVADA, CALIFORNIA**  
**OPERATING INDICATORS**  
**BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>1998/1999</u>	<u>1999/2000</u>	<u>2000/2001</u>	<u>2001/2002</u>
Public Protection				
Jail Bookings	n/a	n/a	n/a	n/a
Average Daily Population	152	141	130	140
Health and Sanitation				
Economic services/support				
Program - Unduplicated Cases Mental Health (Adults in Nevada County)	144	583	595	666
Public Ways and Facilities				
Centerline Mile of Road Maintained				
County	565	565	565	565
State	129	129	129	129
Airport				
Based Aircraft	n/a	n/a	n/a	n/a
Takeoffs and Landings	n/a	n/a	n/a	n/a

n/a - information is not available

**Sources:** Nevada County Sheriff  
Human Services Agency  
Department of Transportation and Sanitation  
Nevada County Airport

2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
n/a 159	5,430 177	5,519 184	5,620 179	5,775 167	5,391 167
595	475	383	253	249	465
565 129	561 129	561 129	562 129	562 133	562 133
n/a n/a	n/a n/a	n/a n/a	150 20,000	150 20,000	150 20,000

**COUNTY OF NEVADA, CALIFORNIA**  
**CAPITAL ASSET STATISTICS**  
**BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>1998/1999</u>	<u>1999/2000</u>	<u>2000/2001</u>	<u>2001/2002</u>
Public Protection				
Correction facility capacities	223	223	223	223
Public Ways and Facilities				
Traffic Signals	6	6	6	6
Bridges	71	71	71	71
Active vehicles in vehicle replacement plan	n/a	n/a	n/a	n/a
Airports				
Number of runways	1	1	1	1

n/a - information is not available

Sources: Nevada County Sheriff  
Department of Transportation and Sanitation  
Nevada County Airport

2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
223	223	250	250	250	250
6	2	2	2	2	2
71	71	71	71	71	71
n/a	149	149	149	143	143
1	1	1	1	1	1

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**COUNTY OF NEVADA,  
CALIFORNIA**



**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2008**

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**COUNTY OF NEVADA, CALIFORNIA  
SINGLE AUDIT ACT  
FOR THE YEAR ENDED JUNE 30, 2008**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors and Grand Jury  
County of Nevada  
Nevada City, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Nevada, California (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. Significant deficiencies are described in the accompanying Schedule of Findings and Questioned Costs as item number 08-FS-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 08-FS-01 to be a material weakness.

Compliance and Other Matters

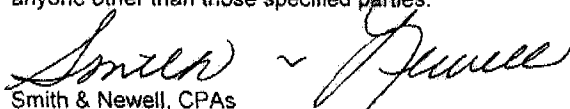
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to management of the County in a separate report dated January 16, 2009.

The County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

To the Board of Supervisors and Grand Jury  
County of Nevada  
Nevada City, California

This report is intended solely for the information and use of management, others within the organization, the Board of Supervisors and Grand Jury, and Federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

  
Smith & Newell, CPAs  
Yuba City, California  
January 16, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury  
County of Nevada  
Nevada City, California

Compliance

We have audited the compliance of County of Nevada, California, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 08-SA-01.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

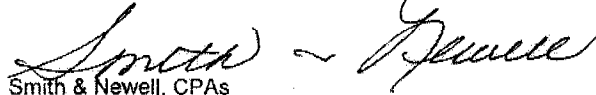
To the Board of Supervisors and Grand Jury  
County of Nevada  
Nevada City, California

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Nevada, California, as of and for the year ended June 30, 2008, and have issued our report thereon dated January 16, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, the Board of Supervisors and Grand Jury, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



Smith & Newell, CPAs  
Yuba City, California  
January 16, 2009

**COUNTY OF NEVADA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

<b>Federal Program/Pass Through Program Title</b>	<b>CFDA Number</b>	<b>Federal Pass-Through Grantor Number</b>	<b>Federal Expenditures</b>
<u><b>U.S. Department of Agriculture</b></u>			
Direct Program:			
Rural Housing Preservation Grants	10.433	06-USDA-HPG	\$ 75,406
Passed through State Department of Education			
School Breakfast Program	10.553	-	10,008
National School Lunch Program	10.555	-	15,306
Passed through State Department of Social Services:			
Food Stamps	10.551	-	4,257,464
State Administrative Matching Grants for Food Stamp Program	10.561	-	532,409
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	-	445,769
Passed through State Controller's Office			
Schools and Roads - Grants to States	10.665	-	476,903
<b>Total U.S. Department of Agriculture</b>			<b>5,813,265</b>
<u><b>Department of Housing and Urban Development</b></u>			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	1,302,766
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/Technical Assistance Program	14.227	05 PTAA 1462	29,060
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	05 STBG 1577	188,946
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	-	128,972
<b>Subtotal 14.228</b>			<b>317,918</b>
HOME Investment Partnerships Program	14.239	04 HOME 0747	77,039
HOME Investment Partnerships Program	14.239	06 HOME 2347	788,423
<b>Subtotal 14.239</b>			<b>865,462</b>
Housing Opportunities for Persons with AIDS	14.241	07-65534	26,428
Rural Housing and Economic Development	14.250	05 EDBG 1975	68,661
Rural Housing and Economic Development	14.250	06 EDBG 2566	12,928
Rural Housing and Economic Development	14.250	06 EDBG 2716	6,785
<b>Subtotal 14.250</b>			<b>88,374</b>
<b>Total Department of Housing and Urban Development</b>			<b>2,630,008</b>
<u><b>U.S. Department of the Interior</b></u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	40,192
<b>Total U.S. Department of the Interior</b>			<b>40,192</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

<b>Federal Program/Pass Through Program Title</b>	<b>CFDA Number</b>	<b>Federal Pass-Through Grantor Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Justice</u></b>			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005 DJ BX 1659	11,682
Public Safety Partnership and Community Policing Grants	16.710	2006 CK WX 0529	75,808
Passed through State Office of Emergency Services:			
Crime Victim Assistance	16.575	EA 0607 0290	25,038
Crime Victim Assistance	16.575	EA 0708 0290	60,780
Crime Victim Assistance	16.575	VW 0721 0290	52,031
<b>Subtotal 16.575</b>			<b>137,849</b>
Edward Byrne Memorial Formula Grant Program	16.579	DC 0717 0290	126,970
Violence Against Women Formula Grants	16.588	VV 0703 0290	90,000
Passed through State Drug Enforcement Agency:			
Drug Court Discretionary Grant Program	16.585	2008-33	5,611
<b>Total U.S. Department of Justice</b>			<b>447,920</b>
<b><u>U.S. Department of Transportation</u></b>			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	AIP 3-06-0095-10	7,925
Airport Improvement Program	20.106	AIP 3-06-0095-12	65,387
<b>Subtotal 20.106</b>			<b>73,312</b>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BHLO-5917(037)	187,764
Highway Planning and Construction	20.205	BHLO-5917(040)	83,628
Highway Planning and Construction	20.205	BRLO-5917(030)	271,253
Highway Planning and Construction	20.205	BRLOZA-5917(031)	48,628
<b>Subtotal 20.205</b>			<b>591,273</b>
Formula Grants for Other Than Urbanized Areas	20.509	FTA 5311	476,124
<b>Total U.S. Department of Transportation</b>			<b>1,140,709</b>
<b><u>U.S. Department of Energy</u></b>			
Passed through State Department of Community Services and Development:			
Weatherization Assistance for Low-Income Persons	81.042	07C-1673	26,283
<b>Total U.S. Department of Energy</b>			<b>26,283</b>
<b><u>Election Assistance Commission</u></b>			
Direct Program:			
Help America Vote Act Requirements Payments	90.401	05 GR 301029	578,028
<b>Total Election Assistance Commission</b>			<b>578,028</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards



**COUNTY OF NEVADA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

<b>Federal Program/Pass Through Program Title</b>	<b>CFDA Number</b>	<b>Federal Pass-Through Grantor Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	49,532
Temporary Assistance for Needy Families	93.558	-	5,626,076
Refugee and Entrant Assistance - State Administered Programs	93.566	-	432
Child Welfare Services - State Grants	93.645	-	29,810
Foster Care - Title IV-E	93.658	-	1,136,256
Adoption Assistance	93.659	-	705,232
Social Services Block Grant	93.667	-	66,268
Chafee Foster Care Independence Program	93.674	-	37,084
Passed through State Child Support Department			
Child Support Enforcement	93.563	-	2,894,556
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B -			
Grants for Supportive Services and Senior Centers	93.044	78-209-07	54,194
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	78-09-29-08	937
Passed through State Department of Health Services:			
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead			
Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	05-45154	10,531
Immunization Grants	93.268	07-65236	31,565
HIV Care Formula Grants	93.917	06-55763	69,812
Maternal and Child Health Services Block Grant to the States	93.994	MCH	126,367
Bioterrorism Training and Curriculum Development Program	93.996	-	153,425
Medical Assistance Program	93.778	CHDP	95,977
Medical Assistance Program	93.778	CCS	119,726
Medical Assistance Program	93.778	HCPCFC	31,481
Medical Assistance Program	93.778	IHSS	255,160
Medical Assistance Program	93.778	TCM	1,103
<b>Subtotal 93.778</b>			<b>503,447</b>
Passed through State Department of Mental Health Services:			
Block Grants for Community Mental Health Services	93.958	SAMSHA	81,011
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	636,519
Passed through California Family Health Council, Inc.:			
Family Planning Services	93.217	-	45,855
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	06B-5376	43,373
Low-Income Home Energy Assistance	93.568	07B-5426	239,952
Low-Income Home Energy Assistance	93.568	08B-5476	97,333
<b>Subtotal 93.568</b>			<b>380,658</b>
Community Services Block Grant	93.569	07F-4835	38,983
Community Services Block Grant	93.569	08F-4930	143,303
<b>Subtotal 93.569</b>			<b>182,286</b>
<b>Total Department of Health and Human Services</b>			<b>12,821,853</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>Department of Homeland Security</u>			
Passed through State Office of Emergency Services:			
Emergency Management Performance Grants	97.042	2007-EM-E7-006	61,170
State Homeland Security Program (SHSP)	97.073	FY 07 HSG	92,058
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	FY 07 HSG	2,527
Buffer Zone Protection Program (BZPP)	97.078	2006-0045	<u>258,224</u>
<b>Total Department of Homeland Security</b>			<u>413,979</u>
<b>Total</b>			<u><u>\$ 23,912,237</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Nevada. The County of Nevada reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

**2. BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**3. RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements, federal award revenues are reported principally in the County's financial statements as inter governmental revenue in the General and Special Revenue Funds.

**4. SUBRECIPIENTS**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Nevada provided federal awards to subrecipients as follows:

Federal CFDA	Subrecipient	Amount
14.228	Sierra Economic Development District	\$ 55,881
10.665	Nevada County Fire Safe Council	103,112
10.665	Sierra Watershed Education Partnerships	6,378
10.665	Nevada County Superintendent of Schools	19,912
10.665	Graniteville Volunteer Fire Company	5,600
93.558	Sierra Nevada Children's Services	675,847
93.556	Child Advocates of Nevada County	12,347
93.569	Different Nonprofit Organizations	58,639
93.674	Nevada County Superintendent of Schools	67,490
	Total	<u>\$ 1,005,206</u>

**5. PROGRAM CLUSTERS**

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>Food Stamp Cluster</u>		
10.551	Food Stamps	\$ 4,257,464
10.561	State Administrative Matching Grants for Food Stamp Program	532,409
	Total	<u>\$ 4,789,873</u>
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 10,008
10.555	National School Lunch Program	15,306
	Total	<u>\$ 25,314</u>

**6. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**7. DEPARTMENT OF AGING FEDERAL/STATE SHARE**

Beginning with the fiscal year ended June 30, 2008, the California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

<u>CFDA</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.044	\$ 54,194	\$ -

**8. CALIFORNIA OFFICE OF EMERGENCY SERVICES PROGRAMS**

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

<u>Program</u>	<u>Expenditures Claimed</u>			<u>Share of Expenditures Current Year</u>		
	<u>For the Period Through June 30, 2007</u>	<u>For the Year Through June 30, 2008</u>	<u>Cumulative As of June 30, 2008</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>
<u>EA06067290 - Elder Abuse Advocacy &amp; Outreach (VOCA)</u>						
Personal services	\$ 45,703	\$ 14,391	\$ 60,094	\$ 14,391	\$ -	\$ -
Operating expenses	37,155	15,637	52,792	10,647	-	4,990
Equipment	-	-	-	-	-	-
Totals	<u>\$ 82,858</u>	<u>\$ 30,028</u>	<u>\$ 112,886</u>	<u>\$ 25,038</u>	<u>\$ -</u>	<u>\$ 4,990</u>
<u>EA06070290 - Elder Abuse Advocacy &amp; Outreach (VOCA)</u>						
Personal services	\$ -	\$ 45,401	\$ 45,401	\$ 45,401	\$ -	\$ -
Operating expenses	-	33,093	33,093	15,379	-	17,714
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 78,494</u>	<u>\$ 78,494</u>	<u>\$ 60,780</u>	<u>\$ -</u>	<u>\$ 17,714</u>
<u>VW06200290 - Victim Witness Assistance</u>						
Personal services	\$ -	\$ 120,405	\$ 120,405	\$ 52,031	\$ 68,374	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 120,405</u>	<u>\$ 120,405</u>	<u>\$ 52,031</u>	<u>\$ 68,374</u>	<u>\$ -</u>
<u>VB06040290 - Statutory Rape Vertical Prosecution</u>						
Personal services	\$ -	\$ 75,977	\$ 75,977	\$ -	\$ 75,977	\$ -
Operating expenses	-	25,831	25,831	-	25,831	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 101,808</u>	<u>\$ 101,808</u>	<u>\$ -</u>	<u>\$ 101,808</u>	<u>\$ -</u>
<u>VV06020290 - Violence Against Women</u>						
Personal services	\$ -	\$ 113,578	\$ 113,578	\$ 83,578	\$ -	\$ 30,000
Operating expenses	-	6,422	6,422	6,422	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>
<u>DC06170290 - Anti-Drug Enforcement</u>						
Personal services	\$ -	\$ 126,970	\$ 126,970	\$ 126,970	\$ -	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 126,970</u>	<u>\$ 126,970</u>	<u>\$ 126,970</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**9. CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION PROGRAMS**

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Through June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<u>CSA 729-07 - Juvenile Probation and Camps Funding</u>						
Salaries and Benefits	\$ -	\$ 127,713	\$ 127,713	-	\$ 127,713	\$ -
Services and Supplies	-	5,058	5,058	-	5,058	-
Professional Services	-	2,134	2,134	-	2,134	-
CBO Contracts	-	43,426	43,426	-	43,426	-
Equipment - Fixed Assets	-	31,474	31,474	-	31,474	-
Totals	<u>\$ -</u>	<u>\$ 209,805</u>	<u>\$ 209,805</u>	<u>\$ -</u>	<u>\$ 209,805</u>	<u>\$ -</u>

**10. LOANS OUTSTANDING**

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2008:

Federal CFDA	Program Title	Amount Outstanding
14.228	Community Development Block Grant/State's Program and None Entitlement Grants in Hawaii	\$ 1,688,552
14.239	HOME Investment Partnerships Program	2,066,936
14.250	Rural Housing and Economic Development	<u>160,818</u>
Total Loans Outstanding		<u>\$ 3,916,306</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**I. SUMMARY OF AUDITOR'S RESULTS**

<u>Financial Statements</u>	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	No
<u>Federal Awards</u>	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	
All major programs	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
10.551 Food Stamps	
10.561 State Administrative Matching Grants for Food Stamp Program	
10.665 Schools and Roads - Grants to States	
14.239 HOME Investment Partnerships Program	
90.401 Help America Vote Act Requirements Payments	
93.563 Child Support Enforcement	
93.659 Adoption Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$717,367
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	Yes

**II. FINANCIAL STATEMENT FINDINGS**

Financial Reporting: Material Weakness	08-FS-01
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**III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

CFDA 93.659	08-SA-01
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**COUNTY OF NEVADA, CALIFORNIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30 2008**

**08-FS-01      CAPITAL ASSETS (Financial Reporting: Material Weakness)**

**Condition**

During our audit we noted the County had recorded adjustments to capital assets to correct prior year activity.

**Cause**

In the process of recording capital assets in the fixed asset system in the current year, the County discovered the manual spreadsheets used in prior years to calculate depreciation on structures and improvements contained errors and an adjustment to accumulated depreciation was needed. The County removed infrastructure assets with a cost less than \$25,000 and the related accumulated depreciation to comply with the County capitalization policy. The County also determined that infrastructure assets purchased in 1987 for the Sanitation District had not previously been capitalized. The County noted that some of these assets had recently been removed with the upgrades to the Lake of the Pines and Lake Wildwood treatment plants. The County recorded a net adjustment of (\$1,460,359) to the governmental activities and \$1,989,641, to the business-type activities for the assets acquired less those disposed and the related accumulated depreciation.

**Criteria**

Good internal control over capital assets requires that an accurate, current detail listing of all capital assets be maintained, that current year depreciation and accumulated depreciation be accurately calculated and recorded and that all assets meeting the capitalization policy be capitalized and depreciated.

**Effect of Condition**

Capital assets and related accumulated depreciation in prior years were materially misstated and required adjustment.

**Recommendation**

We recommend that the County thoroughly review the depreciation schedules at least annually to ensure that all items are properly included and that depreciation is calculated correctly.

**Corrective Action Plan**

Land, structures and improvements are being accounted for in the fixed asset module of the accounting system which will provide a detailed listing of the assets and depreciation schedules. These reports will be reviewed annually for completeness and accuracy. Capital expenditures and depreciation schedules are reviewed on an ongoing basis and adjusted for additions and deletions.

**COUNTY OF NEVADA, CALIFORNIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30 2008**

**08-SA-01**

<b>Name:</b>	<b>ADOPTION ASSISTANCE</b>
<b>CFDA #:</b>	<b>93.659</b>
<b>Federal Grantor:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Pass Through Entity:</b>	<b>State Department of Social Services</b>
<b>Award No.:</b>	<b>N/A</b>
<b>Year:</b>	<b>2007/2008</b>

**Condition**

Title 22 California Code of Regulations Section 35331(a) requires that the determination of the child's eligibility for adoption assistance be documented in the case record on the Eligibility Certification - Adoption Assistance Program form (the AAP-4). The County does document eligibility on the AAP-4 by the completion of the form, which is signed by the "Authorized Official of Public Adoption Agency". However, a second signature is required on the AAP-4. The "Authorized Official of County Welfare Department" must sign the AAP-4 and check the appropriate box, which indicates FFP eligibility or non-eligibility.

On twenty-one of twenty-five cases tested, the AAP-4s were completed and signed by the "Authorized Official of Public Adoption Agency", but the AAP-4's were not signed by the "Authorized Official of County Welfare Department," which is the County eligibility staff.

**Perspective**

Appropriate training or review procedures concerning required forms completion was inadequate.

**Criteria**

The County is not in compliance with Title 22 California Code of Regulations Section 35331(a).

**Effect of Condition**

When the AAP-4 is not signed by the Authorized Official of County Welfare Department and/or the federal eligibility or non-eligibility box is not marked, the likelihood of errors in eligibility determination increase.

**Questioned Cost**

No costs are questioned. All twenty-one cases were eligible for federal Adoption Assistance. The program was that their eligibility was not properly documented, as required, on the AAP-4.

**Recommendation**

We recommend that the County require that the AAP-4's be signed by the "Authorized Official of County Welfare Department" (County eligibility staff) and that this person check the appropriate box showing determination of FFP eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the AAP-4's are properly completed and executed.

**Corrective Action Plan**

All open cases are being reviewed to ensure that the AAP-4's are signed by the appropriate eligibility staff to bring the situation current. Additionally, the cases will be reviewed for the applicable AAP-2's. Going forward, staff has been instructed of the requirement of an authorized signature. Reports will be run on a monthly basis and each open case will be verified that the appropriate authorizations are contained within the case file. The report will be reviewed by the Program Manager/Supervisor monthly.



**COUNTY OF NEVADA, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30 2008**

<u>Audit Reference</u>	<u>Status of Prior Year Audit Findings</u>
07-01	<p><b>Name:</b> ADOPTION ASSISTANCE <b>CFDA #:</b> 93.659 <b>Federal Grantor:</b> U.S. Department of Health and Human Services <b>Pass Through Entity:</b> State Department of Social Services <b>Award No.:</b> N/A <b>Year:</b> 2006/2007</p> <p><b>Recommendation</b></p> <p>We recommend that the County require that the AAP-4's be signed by the "Authorized Official of County Welfare Department" (County eligibility staff) and that this person check the appropriate box showing determination of FFP eligibility on the bottom of this form. We also recommend that the County <i>incorporate</i> into their review process procedures to ensure that the AAP-4's are properly completed and executed.</p> <p><b>Status</b></p> <p>Not Implemented</p>

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**SUPPLEMENTAL STATEMENTS OF  
REVENUE AND EXPENDITURE**

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**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 07C-1673 (DOE-WX)**  
**FOR THE PERIOD APRIL 1, 2007 THROUGH JANUARY 31, 2008**

	April 1, 2007 through June 30, 2007	July 1, 2007 through January 31, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ -	\$ 26,283	\$ 26,283
Total Revenue	\$ -	\$ 26,283	\$ 26,283
<u>Expenditures</u>			
Administrative costs	\$ -	\$ 1,275	\$ 1,275
Program Costs:			
Client education	-	600	600
Direct program activities	-	14,466	14,466
Health and safety	-	6,242	6,242
Intake	-	1,600	1,600
Outreach	-	1,600	1,600
Workers compensation	-	500	500
Workers comp	-	-	-
Client education	-	-	-
Total Program Costs	-	25,008	25,008
Total Expenditures	\$ -	\$ 26,283	\$ 26,283

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 06B-5376 (WX) (LIHEAP)**  
**FOR THE PERIOD JANUARY 1, 2006 THROUGH DECEMBER 31, 2008**

	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 233,204	\$ 201	\$ 233,405
Total Revenue	<u>\$ 233,204</u>	<u>\$ 201</u>	<u>\$ 233,405</u>
<u>Expenditures</u>			
Administrative costs	\$ 18,623	\$ 17	\$ 18,640
Other Program Costs:			
Training	-	4	4
Total Other Program Costs	-	4	4
Program Costs:			
Intake	4,656	4	4,660
Direct program activities	193,229	166	193,395
Outreach	16,296	10	16,306
Total Program Costs	<u>214,181</u>	<u>180</u>	<u>214,361</u>
Total Expenditures	<u>\$ 232,804</u>	<u>\$ 201</u>	<u>\$ 233,001</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 06B-5376 (ECIP/HEAP)**  
**FOR THE PERIOD JANUARY 1, 2006 THROUGH DECEMBER 31, 2008**

	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 219,157	\$ 43,172	\$ 262,329
Total Revenue	<u>\$ 219,157</u>	<u>\$ 43,172</u>	<u>\$ 262,329</u>
<u>Expenditures</u>			
Administrative costs	\$ 14,239	\$ 790	\$ 15,029
Assurance 16:			
Assurance 16 program costs	32,216	7,661	39,877
Intake:			
Intake costs	8,535	1,585	10,120
ECIP:			
Outreach	11,647	2,829	14,476
Wood/propane/oil payments	62,046	6,141	68,187
Heating service repair/replacement	-	455	455
Heating and cooling	15,813	-	15,813
Total ECIP	<u>89,506</u>	<u>9,425</u>	<u>98,931</u>
HEAP:			
Outreach	11,091	456	11,547
Wood/propane/oil payments	63,570	23,255	86,825
Total HEAP	<u>74,661</u>	<u>23,711</u>	<u>98,372</u>
Total Expenditures	<u>\$ 219,157</u>	<u>\$ 43,172</u>	<u>\$ 262,329</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 07B-5426 (WX) (LIHEAP)**  
**FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2008**

	January 1, 2007 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 43,201	\$ 96,566	\$ 139,767
Total Revenue	<u>\$ 43,201</u>	<u>\$ 96,566</u>	<u>\$ 139,767</u>
<u>Expenditures</u>			
Administrative costs	\$ 3,457	\$ 7,726	\$ 11,183
Other Program Costs:			
Training and technical assistance	864	1,930	2,794
Total Other Program Costs	<u>864</u>	<u>1,930</u>	<u>2,794</u>
Program Costs:			
Intake (eligibility determination)	864	1,930	2,794
Direct program activities	35,856	80,151	116,007
Outreach	<u>2,160</u>	<u>4,829</u>	<u>6,989</u>
Total Program Operations	<u>38,880</u>	<u>86,910</u>	<u>122,996</u>
Total Expenditures	<u>\$ 43,201</u>	<u>\$ 96,566</u>	<u>\$ 136,973</u>



**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 07B-5426 (ECIP/HEAP)**  
**FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2008**

	January 1, 2007 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 18,871	\$ 143,386	\$ 162,257
Total Revenue	<u>\$ 18,871</u>	<u>\$ 143,386</u>	<u>\$ 162,257</u>
<u>Expenditures</u>			
Administrative Costs Assurance 16 ECIP and HEAP:			
Administrative costs	<u>2,795</u>	<u>12,635</u>	<u>15,430</u>
Assurance 16:			
Assurance 16 program costs	<u>4,625</u>	<u>20,910</u>	<u>25,535</u>
Intake Program Costs:			
Intake	<u>1,199</u>	<u>6,124</u>	<u>7,323</u>
ECIP Program Costs:			
ECIP HCS Heating Service Repair/Replacement	-	13,101	13,101
Outreach	1,927	10,200	12,127
Wood/propane/oil payments	<u>5,078</u>	<u>37,664</u>	<u>42,742</u>
Total ECIP	<u>7,005</u>	<u>60,965</u>	<u>67,970</u>
HEAP Outreach WPO Costs:			
Outreach	1,070	5,110	6,180
Wood/propane/oil payments	<u>2,177</u>	<u>37,642</u>	<u>39,819</u>
Total HEAP	<u>3,247</u>	<u>42,752</u>	<u>45,999</u>
Total Expenditures	<u>\$ 18,871</u>	<u>\$ 143,386</u>	<u>\$ 162,257</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 08B-5476 (WX) (LIHEAP)**  
**FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2008**

	<u>January 1, 2008 through June 30, 2008</u>	<u>July 1, 2008 through December 31, 2008</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 71,503	\$ -	\$ 71,503
Total Revenue	<u>\$ 71,503</u>	<u>\$ -</u>	<u>\$ 71,503</u>
<u>Expenditures</u>			
Administrative costs	\$ 5,720	\$ -	\$ 5,720
Program Costs:			
Intake	1,430	-	1,430
Outreach	3,575	-	3,575
Training and technical assistance	1,430	-	1,430
Direct program activities	59,348	-	59,348
Total Program Costs	<u>65,783</u>	<u>-</u>	<u>65,783</u>
Total Expenditures	<u>\$ 71,503</u>	<u>\$ -</u>	<u>\$ 71,503</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 08B-5476 (WX) (LIHEAP)**  
**FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2008**

	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 25,830	\$ -	\$ 25,830
Total Revenue	<u>\$ 25,830</u>	<u>\$ -</u>	<u>\$ 25,830</u>
<u>Expenditures</u>			
Administrative costs	\$ 3,850	\$ -	\$ 3,850
Assurance 16:			
Assurance 16 program costs	6,407	-	6,407
Intake:			
Intake costs	1,654	-	1,654
Outreach:			
Outreach	4,135	-	4,135
ECIP/HEAP:			
ECIP Wood, propane, and oil payments	6,485	-	6,485
HEAP Wood, propane, and oil payments	3,299	-	3,299
Total ECIP/HEAP	9,784	-	9,784
Total Expenditures	<u>\$ 25,830</u>	<u>\$ -</u>	<u>\$ 25,830</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 06F-4731 (CSBG)**  
**FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2009**

	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2009	Totals
<u>Revenue</u>			
Grant revenue	\$ 173,685	\$ -	\$ 173,685
Total Revenue	<u>\$ 173,685</u>	<u>\$ -</u>	<u>\$ 173,685</u>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 62,225	\$ -	\$ 62,225
Fringe benefits	30,648	-	30,648
Total Administrative Costs	<u>92,873</u>	<u>-</u>	<u>92,873</u>
Program Costs:			
Salaries and wages	15,060	-	15,060
Fringe benefits	7,764	-	7,764
Subcontractor services	27,606	-	27,606
Total Program Costs	<u>50,430</u>	<u>-</u>	<u>50,430</u>
Total Expenditures	<u>\$ 143,303</u>	<u>\$ -</u>	<u>\$ 143,303</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 07F-4835 (CSBG)**  
**FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2008**

	January 1, 2007 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 11,017	\$ 38,983	\$ 50,000
Total Revenue	<u>\$ 11,017</u>	<u>\$ 38,983</u>	<u>\$ 50,000</u>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 770	\$ 2,669	\$ 3,439
Fringe benefits	247	854	1,101
Total Administrative Costs	<u>1,017</u>	<u>3,523</u>	<u>4,540</u>
Program Costs:			
Operating expenses and equipment	-	791	791
Subcontractor - non profits	10,000	34,669	44,669
Total Program Costs	<u>10,000</u>	<u>35,460</u>	<u>45,460</u>
Total Expenditures	<u>\$ 11,017</u>	<u>\$ 38,983</u>	<u>\$ 50,000</u>

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